

By Mr. GORE:

H. R. 3698. A bill for the relief of Mrs. Lucille Scarlett and Charles Scarlett; to the Committee on Claims.

By Mr. HAVENNER:

H. R. 3699. A bill to settle certain war claims and accounts growing out of a war contract made between Metals Reserve Co. (and later transferred by it to the Foreign Economic Administration) and H. I. Altshuler (and later assigned by him to the Urania Tungsten Corp.); to the Committee on War Claims.

By Mr. HERTER:

H. R. 3700. A bill for the relief of Mariano Joaquin Lorente; to the Committee on Claims.

By Mr. KELLY of Illinois:

H. R. 3701. A bill granting a pension to Joseph J. Mann; to the Committee on Invalid Pensions.

By Mr. KUNKEL:

H. R. 3702. A bill for the relief of Maurice C. Ritter, of Camp Hill, Pa.; to the Committee on Claims.

By Mr. WELCH:

H. R. 3703. A bill for the relief of the city and county of San Francisco; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

1050. By Mr. COCHRAN: Petition of M. L. Hunt and 311 other citizens of Missouri, protesting against the passage of any prohibition legislation by the Congress; to the Committee on the Judiciary.

1051. Also, petition of A. T. Christian and 304 other citizens of Missouri, protesting against the passage of any prohibition legislation by the Congress; to the Committee on the Judiciary.

1052. By the SPEAKER: Petition of the National Society of New England Women, petitioning consideration of their resolution with reference to national cooperation; to the Committee on Ways and Means.

SENATE

FRIDAY, JULY 6, 1945

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

God of all mercy, bowing at this noon-tide altar, may we be vividly conscious that we need turn not back to bygone centuries to hear Thy voice, as if Thou dost speak no longer to us now. Give us ears to hear Thy imperial imperatives above the noise of crashing systems, yea, in and through the change and confusion of our day. May we not imagine that the judgment which shall search the secrets of our hearts is postponed to some far-off future assize, when in this day, by our response to the want and woe of Thy world and of Thy children, our brothers, Thy thrones are set: Thou art searching out the souls of men before Thy judgment seat.

So hearing and heeding the voice divine, may our compassion help to heal the open sores of the world as we serve the present age, our calling to fulfill. In the dear Redeemer's name. Amen.

THE JOURNAL

On request of Mr. HATCH, and by unanimous consent, the reading of the Journal of the proceedings of Tuesday, July

3, 1945, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed without amendment the following bills of the Senate:

S. 24. An act for the relief of the Truckee-Carson Irrigation district;

S. 100. An act to authorize an exchange of certain lands with William W. Kiskadden in connection with the Rocky Mountain National Park, Colo.;

S. 301. An act for the relief of Mr. and Mrs. James E. McGhee;

S. 311. An act for the relief of Philip Kleinman;

S. 454. An act to revive and reenact the act entitled "An act creating the Arkansas-Mississippi Bridge Commission; defining the authority, power, and duties of said Commission; and authorizing said Commission and its successors and assigns to construct, maintain, and operate a bridge across the Mississippi River at or near Friar Point, Miss., and Helena, Ark., and for other purposes," approved May 17, 1939;

S. 497. An act to amend an act entitled "An act to provide for the purchase of public lands for home and other sites," approved June 1, 1938 (52 Stat. 609);

S. 501. An act for the relief of the Catholic Chancery Office, Inc.;

S. 527. An act to extend the time for commencing and completing the construction of a bridge across the St. Croix River at or near Hudson, Wis.;

S. 660. An act to transfer certain lands situated in Rapides Parish, La., to board of supervisors of Louisiana State University and Agricultural and Mechanical College;

S. 712. An act for the relief of William B. Scott;

S. 748. An act for the relief of Nita Rodlun;

S. 761. An act to reimburse certain Navy personnel and former Navy personnel for personal property lost or damaged as a result of a fire in Quonset hut occupied by Eighty-third United States Naval Construction Battalion at Camp Rosseau, Port Hueneme, Calif., on December 22, 1944;

S. 812. An act to amend section 3 of the San Carlos Act (43 Stat. 475-476), as supplemented and amended, and for other purposes;

S. 822. An act to reimburse certain Navy personnel for personal property lost or damaged in a fire at Naval Base Two, Rosneath, Scotland, on October 12, 1944;

S. 824. An act to reimburse certain Navy personnel and former Navy personnel for personal property lost or damaged as a result of a fire in Quonset hut E-172 at the amphibious training base, Camp Bradford, naval operating base, Norfolk, Va., on January 20, 1945;

S. 867. An act for the relief of Ruby Doris Calvert, as administratrix of the estate of Frederick Calvert, deceased; and

S. 911. An act authorizing the conveyance of certain lands to the city of Cheyenne, Wyo.

The message also announced that the House had passed the following bills of the Senate, severally with an amendment in which it requested the concurrence of the Senate:

S. 75. An act for the relief of Thomas C. Locke;

S. 134. An act for the relief of Ida E. Laurie and Zella Rickard;

S. 233. An act granting the consent of Congress to the State of North Dakota to construct, maintain, and operate a free highway bridge across the Missouri River;

S. 234. An act authorizing the construction of a free highway bridge across the Yellowstone River near Fairview, Mont.;

S. 512. An act for the relief of Mr. and Mrs. Arthur R. Brooks;

S. 672. An act for the relief of the legal guardian of Clifton R. Weir;

S. 784. An act for the relief of Mr. and Mrs. John T. Webb, Sr.; and

S. 956. An act for the relief of Mr. and Mrs. Stephen E. Sanders.

The message further announced that the House had passed the bill (S. 574) to extend the times for commencing and completing the construction of a bridge across the Columbia River in Clatsop County, Oreg., with amendments in which it requested the concurrence of the Senate.

The message also announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 3180) to impose certain restrictions on the disposition of naval vessels and facilities necessary to the maintenance of the combatant strength and efficiency of the Navy, and for other purposes; asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. VINSON, Mr. DREWRY, and Mr. MOTT were appointed managers on the part of the House at the conference.

The message further announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 476. An act to revive and reenact the act entitled "An act creating the St. Lawrence Bridge Commission and authorizing said Commission and its successors to construct, maintain, and operate a bridge across the St. Lawrence River at or near Ogdensburg, N. Y.," approved June 14, 1933, as amended;

H. R. 799. An act for the relief of the estate of Stanley E. Smallwood; to the legal guardian of Frank Carter, Jr., a minor; to the legal guardian of Donald R. Keithley, a minor; to Keithley Bros. Garage;

H. R. 851. An act for the relief of Oscar R. Steinert;

H. R. 1145. An act for the relief of Ben W. Colburn;

H. R. 1301. An act for the relief of Madeline Winter and Ethel Newton;

H. R. 1456. An act for the relief of George E. Baker;

H. R. 1512. An act to amend section 9 of the Pay Readjustment Act of 1942 (Public Law 607) by providing for the computation of double-time credits awarded between 1898 and 1912 in determining retired pay;

H. R. 1563. An act for the relief of S. Owen Oxley and the legal guardian of Lamar Oxley, a minor;

H. R. 1565. An act for the relief of Inglis Construction Co., a corporation;

H. R. 1634. An act for the relief of the city of Council Bluffs, Iowa;

H. R. 1674. An act for the relief of Mrs. Ollie Patton;

H. R. 1765. An act to provide for the conveyance to the State of Iowa of the Agricultural Byproducts Laboratory on the campus of the Iowa State College of Agriculture and Mechanic Arts;

H. R. 1851. An act for the relief of the widow and three children of Greenfield Payne;

H. R. 1922. An act to authorize the sale of certain public lands in Alaska to the Cath-

olic bishop of Alaska, in trust for the Roman Catholic Church;

H. R. 2317. An act for the relief of Mrs. Virginia M. Kiser;

H. R. 2522. An act to authorize the Secretary of State to continue to completion the collecting, editing, and publishing of official papers relating to the Territories of the United States;

H. R. 2529. An act for the relief of Earl J. Shows;

H. R. 2545. An act for the relief of Florida Rhone Burch;

H. R. 2613. An act to authorize the War Food Administrator or the Secretary of Agriculture to adjust boundary disputes by settling claims to certain so-called Sebastian Martin grant lands, in the State of New Mexico;

H. R. 2615. An act to provide for reimbursement of certain Navy personnel and former Navy personnel for personal property lost or damaged as the result of a fire at the outlying rehousing branch of the Norfolk Navy Yard, Portsmouth, Va., on December 4, 1942;

H. R. 2690. An act to amend the Bonneville Project Act;

H. R. 2737. An act for the relief of Clara Black;

H. R. 2853. An act to reimburse certain Navy personnel and former Navy personnel for personal property lost or damaged as the result of a fire in the United States naval hospital, Seattle, Wash., on May 10, 1944;

H. R. 2866. An act for the relief of Mrs. Rita Cauvin Green;

H. R. 3150. An act to revive and reenact the act entitled "An act to authorize the city of Duluth, in the State of Minnesota, to construct a toll bridge across the St. Louis River, between the States of Minnesota and Wisconsin, and for other purposes," approved August 7, 1939;

H. R. 3256. An act to amend the Civil Service Retirement Act approved May 29, 1930, as amended, in order to protect the retirement rights of persons who leave the service to enter the armed forces of the United States;

H. R. 3363. An act for the relief of Paul W. Mankin;

H. R. 3373. An act authorizing the reconstruction of the Spring Common Bridge on Mahoning Avenue, across the Mahoning River in the municipality of Youngstown, Mahoning County, Ohio;

H. R. 3417. An act for the relief of Clarence J. Spiker and Fred W. Jandrey;

H. R. 3419. An act for the relief of the estate of Mrs. Mary Karalls;

H. R. 3453. An act for the relief of John W. Farrell;

H. R. 3549. An act to provide for the conveyance of certain Weather Bureau property to Norwich University, Northfield, Vt.; and

H. R. 3649. An act making appropriations for war agencies for the fiscal year ending June 30, 1946, and for other purposes.

ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the President pro tempore:

H. R. 842. An act for the relief of Mrs. Sadie L. Dance;

H. R. 1309. An act to provide reimbursement for personal property lost, damaged, or destroyed as the result of an explosion at the Naval Air Station, Norfolk, Va., on September 17, 1943;

H. R. 1606. An act for the relief of Mrs. Ethel Farkas;

H. R. 1668. An act for the relief of Mrs. Mary Ellen Keegan Herzog, Francis James Keegan, and Sergeant John Keegan;

H. R. 2336. An act for the relief of Osborne E. McKay; and

H. R. 3291. An act to provide for an adjustment of salaries of the Metropolitan Police, the United States Park Police, the White House Police, and the members of the Fire Department of the District of Columbia, to

conform with the increased cost of living in the District of Columbia.

DAYLIGHT-SAVING TIME

The PRESIDENT pro tempore laid before the Senate a letter from the Chairman of the War Production Board relating to the act providing daylight-saving time, which was referred to the Committee on Interstate Commerce.

LOANS IN NORTH DAKOTA BY FEDERAL LAND BANK

Mr. LANGER. Mr. President, I present and ask to have appropriately referred a resolution adopted by the board of directors of the Mountrail County National Farm Loan Association, of Stanley, N. Dak. I may add the resolution is in connection with a bill recently introduced by me which requires the Federal land bank for the district of North Dakota, which has its office in St. Paul, Minn., to make loans in North Dakota even though some of the Federal laws conflict with the State laws, as the Federal land bank maintains, but which the State of North Dakota denies.

The PRESIDENT pro tempore. The resolution presented by the Senator from North Dakota will be received and referred to the Committee on Banking and Currency.

BRETTON WOODS AGREEMENTS—RESOLUTION OF WASHINGTON (D. C.) CHAPTER OF AMERICAN VETERANS' COMMITTEE

Mr. BALL. Mr. President, I present a resolution adopted by the Washington (D. C.) Chapter of the American Veterans' Committee favoring the enactment of the Bretton Woods agreements, and I ask that it be appropriately referred and printed in the RECORD.

There being no objection, the resolution presented by Mr. BALL was ordered to lie on the table and to be printed in the RECORD, as follows:

As a veterans' organization with a fundamental interest in the maintenance of peace and full employment, we recommend the immediate approval of the Bretton Woods monetary agreements.

Final victory over the Axis Powers will find a world in which much of the territory of our allies is devastated and in which the economies of even the most fortunate will face serious readjustments. Rapid revival of international trade and investment is essential.

The experience of the thirties shows the folly and the danger of competitive currency depreciation, discriminatory and restrictive money devices, and unstable money. Cut-throat competition between nations results in decreased world trade and investment, contributing to unemployment, low living standards, political unrest, and ultimately to war.

The creation of more stable conditions for the expansion of international trade will be made feasible through the International Monetary Fund. Similarly, improvement of the conditions of foreign lending will permit rapid rehabilitation and development of war-torn countries, thus opening up overseas markets for American enterprise. The International Bank for Reconstruction and Development will play an important role in encouraging private investment abroad.

The American Veterans Committee, Washington Chapter, recognizes that the Bretton Woods agreements, at best, are only a partial solution to world economic problems and that there are a number of objections to specific

phrases therein. In particular, it would be desirable if the United States representatives were instructed to press for relaxation of existing exchange controls as promptly as possible rather than delaying action for a minimum of 3 years, as the agreements provide. Nevertheless, we recommend that these agreements, made jointly by over 40 independent countries, be adopted now without any emasculating amendments, so that other nations may be assured of our abandonment of isolationism and our willingness to cooperate in the achievement and maintenance of world stability.

FINANCIAL CONTROL OF GOVERNMENT CORPORATIONS

Mr. CAPPER. Mr. President, I have received a letter from Edward A. O'Neal, president of the American Farm Bureau Federation, Washington, D. C., together with a statement, suggesting certain amendments to the so-called Byrd-Butler bill, providing for financial control of Government corporations. I ask unanimous consent that Mr. O'Neal's letter and statement be appropriately referred and printed in the RECORD.

There being no objection, the letter and statement were referred to the Committee on Banking and Currency and ordered to be printed in the RECORD, as follows:

AMERICAN FARM BUREAU FEDERATION

Washington D. C., July 3, 1945.

Hon. ARTHUR CAPPER,
Member, Committee on
Banking and Currency,
United States Senate,
Washington, D. C.

MY DEAR SENATOR CAPPER: I enclose a copy of a statement concerning the Byrd-Butler bill (S. 469) and the Whittington bill (H. R. 2177), which I am submitting to every Member of the Senate Banking and Currency Committee and the House Committee on Expenditures in Executive Departments.

As you will note, we are for the general objectives of these bills, but we are very much concerned about the effects on certain agricultural agencies. I sincerely hope that our recommendations for amendments will meet with your approval.

Sincerely yours,

EDW. A. O'NEAL,
President.

STATEMENT OF PRESIDENT EDWARD A. O'NEAL ON BEHALF OF THE AMERICAN FARM BUREAU FEDERATION CONCERNING THE BYRD-BUTLER BILL (S. 469) AND THE WHITTINGTON BILL (H. R. 2177) SUBMITTED TO ALL MEMBERS OF THE SENATE BANKING AND CURRENCY COMMITTEE AND THE HOUSE COMMITTEE ON EXPENDITURES IN EXECUTIVE DEPARTMENTS

There is pending before your committee S. 469 and H. R. 2177, the purpose of which is to bring Government corporations and their transactions and operations under annual scrutiny by the Congress, and thus provide financial control thereof.

We recognize the need of congressional scrutiny of many of the Government corporations set up and operated by Government order without proper limitations and safeguards which would be required if they were established by acts of Congress. Such corporations need supervision, as they operate with almost unlimited discretion and without check or restraint except that involved by their own administrators.

The American Farm Bureau Federation approves the general objectives of this legislation, but in its present form it is too far-reaching in scope. This legislation would hamper the operations of several important agencies serving agriculture whose activities are already adequately safeguarded by statutory requirements enacted by Congress. I

refer specifically to the Commodity Credit Corporation, the Tennessee Valley Authority, and the farm-credit agencies under the supervision of the Farm Credit Administration.

On behalf of the American Farm Bureau Federation, therefore, I wish to strongly urge that this legislation be amended, as follows:

(1) That the Commodity Credit Corporation be exempted from the budget provisions of the bill insofar as its loans, purchases, storage, sales, and other price-supporting functions and activities are concerned.

The Commodity Credit Corporation is the keystone of the entire national farm program. It is the primary agency through which the Government carries on its price support commitments through commodity loans to farmers, and through purchase and resale of agricultural commodities pursuant to various laws enacted by Congress. Under the Agricultural Adjustment Act, as amended, Congress has directed that mandatory commodity loans be made available to producers of six basic commodities—corn, wheat, cotton, rice, tobacco, and peanuts—under conditions and terms specified by Congress in the statute. As long as any farmer is in compliance with the Agricultural Adjustment Agency program, the Commodity Credit Corporation is required to make available to him a loan of 90 percent of parity (92½ percent in the case of cotton). The Corporation, under the law, has no discretion, and must be prepared to make available a loan on whatever portion of the farmer's crop is offered to it, if he is in compliance. The loan is a nonrecourse price-supporting loan.

Under the so-called Steagall Act, as amended, the Government is also obligated to support prices of nonbasic commodities at not less than 90 percent of parity whenever the Secretary of Agriculture requests farmers to increase their production for war purposes; and the law further requires the Government to maintain this minimum price support guarantee for a period of 2 years after the 1st of January following the termination of the present emergency by proclamation of the President or by concurrent resolution of Congress. Again, this is a mandatory commitment on the part of the Government to farmers who cooperate in expanding or maintaining the increased production required for war purposes. In addition, under the Steagall Act, the Government, through the Commodity Credit Corporation, carries out lending and purchase operations for various other agricultural commodities for the purpose of bringing the income of producers of such commodities into a fair relationship with the so-called basic commodities.

Thus, the operations of the Commodity Credit Corporation are an integral part of the entire national farm program. The restrictions and limitations contained in the budgeting provisions of the proposed legislation, when applied to the Commodity Credit Corporation's price-supporting operations through loans, purchases, storage, and sale of agricultural commodities, are inconsistent with the intent and purposes of the laws already enacted by Congress for the benefit of agriculture. Unless modified, these provisions constitute a serious threat to the whole farm program. It is fundamental to the success of the farm program that the Government be prepared to carry out its commitment under the law, provided the farmer does his part and meets the conditions whereby he qualifies for the benefits of these laws.

The size of a crop, its quality, and the markets available determine largely the extent of the operations of the Commodity Credit Corporation during any year. It is impossible to estimate these contingencies 18 months in advance as would be necessary if the Corporation were required to comply with the budget provisions of the bills. An estimated budget to carry out the mandates

of Congress on loan and support programs on crops which would not be planted until several months in the future would be meaningless. The Corporation to meet the extreme conditions, which could arise, would have to submit a budget anticipating maximum crop yields throughout the country, together with a minimum market for the crops produced. These are the conditions they are required by law to meet. Year in and year out the actual conditions which the Corporation would have to meet would be something different than this extreme condition.

If an annual budget is approved by Congress on a basis that will be large enough to meet most extreme conditions, then the budgeting requirement is of little value or significance. On the other hand, in any year that Congress made a bad guess as to the need for these funds and placed a limitation upon the funds for loans and other price-supporting operations inadequate to carry out its commitments to farmers due to abnormally high yields or a decreased demand, or both, then the Corporation would be put in the anomalous position of being unable to carry out the mandatory provisions of law and unable to fulfill its promises to farmers who cooperate in the farm program.

In this connection it should be pointed out that these budget estimates would probably be approved by Congress on or before June 30, and Congress likely would be in recess during the fall months, when most of the crops are ready to go to market and the demand for commodity loans is at the peak. Under such circumstances, if available funds proved inadequate, the only way relief could be obtained would be through the reconvening of Congress to provide additional funds.

The administrative expenses of the Corporation are now reviewed and approved annually by Congress. We believe that Congress should continue to review and approve these expenditures annually.

Congress now also exercises several means of examining and reviewing the activities and plans of the Commodity Credit Corporation. They are reviewed annually when consideration is given by the Congress to the annual appropriation item for administrative expenses of the Corporation, as is already required by law. Moreover, the Corporation appears at least every 2 years before the Congress in connection with the extension of its life as an agency of the United States. Congress has a further opportunity to review and examine the Corporation's activities and plans when changes in the Corporation's borrowing power are requested and when appropriations are requested, pursuant to the act of March 8, 1938.

(2) That the farm-credit agencies under the supervision of the Farm Credit Administration be completely exempted from the provisions of this legislation.

The credit and financial needs of agriculture are unique, and are greatly affected by conditions over which the farmer has no control—drought, flood, wind, hail, insect infestation, and the withdrawal of commercial credit at the time when farmers are most in need of financial assistance. Congress has recognized the peculiar credit needs of agriculture and has established numerous farm-credit agencies under the supervision of the Farm Credit Administration for the purpose of aiding farmers in obtaining adequate credit on terms and conditions suited to the requirements of agriculture.

During the past 25 years Congress has enacted a great many farm-credit laws, determining the extent and character of Government supervision of these various farm-credit agencies, and spelling out in great detail restrictions and safeguards to protect farmer borrowers and the investing public. We can see no justifiable need for the inclusion in

this legislation of the various farm-credit agencies which are under the supervision of the Farm Credit Administration. On the contrary, we believe that the inclusion of these agencies will seriously interfere with the operations of these agencies and hamper them in carrying out their statutory responsibilities to farmers and farmers' cooperative organizations.

Among the most important of these farm-credit agencies are the 12 Federal land banks, which make long-term mortgage loans on farm real estate through national farm-loan associations, which are cooperatives owned by and composed of borrowers from the banks. All of these Federal land banks are at least partly owned by the association, and in three of the banks the Government has no capital or paid-in surplus at all. The budget requirements of the bill do not directly affect the operations of the Federal land banks, but indirectly the effect is serious, as these institutions rely partly upon the Federal Farm Mortgage Corporation, which is a wholly owned Government corporation, to assist them in obtaining funds for the credit which they provide to farmers.

Other farm-credit agencies under the supervision of the Farm Credit Administration are the Federal Farm Mortgage Corporation, which not only assists the Federal land banks in their financing but also provides funds for Commissioner loans on real estate, largely supplementing the Federal land-bank loans and handled through the medium of the Federal land-bank system; the 12 regional banks for cooperatives and the central bank for cooperatives, which extend credit to farmers' cooperative associations, and are partly owned by the associations; the 12 Federal Intermediate Credit banks, which are chiefly banks of discount for short-term and intermediate-term agricultural paper; the 12 production credit corporations, which supply part of the capital of local production-credit associations, which are farmers' cooperative associations; composed of borrowers who contribute to their capital stock, and which make short-term production loans to their members.

While some of these corporations at the present time are wholly owned by the Government it must be recognized that all of these agencies comprise one unified system to provide agricultural credit to farmers and farmers' cooperative associations. Furthermore, Congress, in numerous laws, has already specifically provided, in great detail, for the supervision and regulation of these corporations.

The farm-credit agencies at the district level are already subject to audit, as required by the Federal statute. The effect of the legislation in its present form would be to require another audit, which would impose additional cost to the stockholders of the corporation which, in the case of the cooperative credit agencies, would mean the farmer borrowers.

The proposed legislation would restrict the depositories of these farm credit institutions to those to be approved by the Treasury Department. This deprives these institutions of the discretion ordinarily invested in business institutions in the selection of depositories. Existing farm credit laws already provide proper regulation of this matter through the Farm Credit Administration. We do not believe that such authority with respect to farm credit agencies should be given to the Treasury Department.

The provisions of this legislation giving the Treasury Department control over the issuance of securities is likewise very unwise and might result in increased rates of interest to farmers. The interest rates charged to farmer borrowers through the Federal Land Bank System are based upon the interest cost of the last issue of Federal land bank bonds. Furthermore, a sound fiscal policy, coordinating the maturities of bonds with the maturities of average outstanding loans of banks, is important to the success-

ful operation of the Federal Land Bank System. Thus, the control of the issuance of securities and the interest rates and maturity dates are matters of basic importance to the successful operation of farm credit agencies and to the welfare of farmer borrowers. We therefore strongly oppose transferring this authority from the Farm Credit Administration to the Treasury Department. Under existing procedure, the Treasury Department is consulted by the Farm Credit Administration with respect to the issuance of all securities. This is appropriate and adequate.

Both as to wholly owned Government corporations and mixed-ownership corporations this legislation would provide that no additional Government capital or paid-in surplus may be subscribed except pursuant to a specific appropriation. There are several revolving funds available for subscriptions of this character in the four classes of farm credit district units and this requirement would, in effect, destroy the revolving character of these funds as congressional action would be required before any further subscription could be made.

This legislation would also subject all purchases and sales of Government obligations by the Farm Credit district offices to approval of the Federal Treasury. The addition of this further control over the district institutions is inconsistent with the local character of their operations and contrary to the objective of their becoming farmer-owned and farmer-controlled cooperatives.

Among the major objectives of farm credit legislation and of the major farm organizations have been to develop a cooperative credit system, farmer-owned and farmer-controlled, and to avoid centralized Federal control of farm credit. To apply the provisions of the proposed legislation to farm credit agencies under the Farm Credit Administration would represent a reversal of this policy, and would subject these agencies to further governmental controls, interference, and injection of political influences in the supervision and administration of farm credit. Nothing should be done which would retard or disrupt the established policy of Congress to encourage and aid agriculture to build its own cooperative credit system—free from political influences and without centralized governmental control.

Centralization of control of these farm credit agencies would be disastrous not only to these cooperative institutions, but to their successful operation in meeting the varying needs and problems growing out of the diversified character of agriculture in the many different areas of the country. The multiple controls provided in this legislation, if applied to these farm credit agencies, would lessen their ability to meet promptly and adequately the widely fluctuating credit needs of agriculture.

(3) That the provisions of this bill with respect to auditing and budgetary requirements be clarified insofar as they affect the Tennessee Valley Authority, so as to assure that the provisions and procedures established pursuant to section 9 (b) and section 26 of the Tennessee Valley Authority Act be continued.

We are concerned likewise with the far-reaching effects of this legislation upon the operations of the Tennessee Valley Authority. In effect, this legislation would repeal the permanent charter contained in the Tennessee Valley Act, which prescribes the method by which its program for electrification and other operations are conducted and would leave the year-to-year operations dependent upon whatever Congress might choose to authorize each year.

This would be a serious blow to the TVA program. Tens of thousands of farms in the Tennessee Valley are served by cooperative associations which purchase their power from TVA under long-term contracts which require that the low TVA rates be passed on

to the consumers. With these low rates the use of electricity is rapidly being built right into the economy of farm operations affecting the detailed plans of many individual farmers and producing a significant result in higher individual income.

The development in the Tennessee Valley which has taken place in the last 12 years has been a reflection of the confidence of the people of the Tennessee Valley in the continuing ability of the TVA to meet their needs. Any uncertainty about TVA's ability to continue to serve the people and consumers of the Tennessee Valley will have far-reaching blighting effects.

We believe that the TVA, as well as all other Government corporations, should have its operations and transactions under the annual scrutiny of Congress, but we believe the present TVA Charter enacted by Congress already accomplishes this purpose, and at the same time permits stability and continuity of TVA's operations. Section 9 (b) of the TVA Act already provides for auditing by the General Accounting Office and spells out in detail the procedures and requirements governing the auditing of TVA operations.

Likewise, in section 26 of the TVA Act, Congress provides a plan of operations for TVA which permits stability and continuity of TVA's operations, while at the same time detailed reports of the corporate activities and expenditures of TVA are submitted annually to Congress.

In conclusion, I wish to reiterate our support of the broad objectives of this proposed legislation, particularly as applied to Government corporations which are established by executive order and whose powers, activities, and limitations have not been specifically prescribed in legislation by Congress; but I wish to strongly urge your support of the foregoing recommendations for amendments to this legislation as it affects the Commodity Credit Corporation, the various farm credit agencies under the Farm Credit Administration, and the Tennessee Valley Authority.

THE UNITED NATIONS CHARTER

Mr. CAPPER. Mr. President, I ask unanimous consent to place in the RECORD at this point a letter to me from Edward N. Scheiberling, national commander of the American Legion, urging support for the United Nations Charter adopted at San Francisco, and my reply to Commander Scheiberling. I send the letters to the desk for printing in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

THE AMERICAN LEGION,
Indianapolis, Ind., July 3, 1945.

Hon. ARTHUR CAPPER,
Senate Office Building,
Washington, D. C.

DEAR SENATOR CAPPER: At the last three national conventions of the American Legion the delegates voted unanimously in favor of the establishment and maintenance of an association of free and sovereign nations to maintain peace and prevent recurrence of war. In 1943 and 1944 the convention declared that such association should be implemented with whatever force may be necessary for such purpose.

Soon after the Dumbarton Oaks agreement was reached by representatives of participating powers, the State Department, by all usual media, gave widest publicity not only to the agreement, but to the reasons advanced by such representatives for the inclusion of the various provisions of the agreement, as well as the reasons for exclusion of some provisions which certain groups or individuals thought should be included.

The American Legion, with more than 100 other representative American organizations, participated in several discus-

sions of the Dumbarton Oaks proposal either initiated by the State Department or held with State Department cooperation, and American Legion representatives participated as consultants at the UNCIO at San Francisco, together with representatives of more than 40 other American organizations. The American Legion feels that the charter produced at the San Francisco Conference is a charter arrived at through unprecedented participation of American people, after unprecedented opportunity for every American to know that which preceded and that which occurred at the Conference.

The American Legion feels that the San Francisco Charter is an honest and able attempt to create a workable association of free and sovereign nations implemented with force to maintain peace and prevent recurrence of war.

Obviously it is the best and only charter which can be produced at this time.

The American Legion believes that the President's hand should be strengthened for the grave and difficult tasks which lie ahead of him in the field of foreign relations, by early ratification of the charter. It believes that such action is strongly desired by the American people, more thoroughly informed upon the subject matter than they have ever been informed heretofore on any important international undertaking. The American Legion therefore respectfully requests that you support ratification of the charter at the earliest date consistent with due and proper procedure.

Sincerely yours,

EDWARD N. SCHEIBERLING,
National Commander.

UNITED STATES SENATE,
Washington, D. C., July 6, 1945.

Mr. EDWARD N. SCHEIBERLING,
National Commander, American Legion,
Indianapolis, Ind.

DEAR Mr. SCHEIBERLING: It pleased me very much to receive your interesting letter of July 3d advising me that the American Legion approves of the charter adopted at the San Francisco Conference. I am a member of the Senate Foreign Relations Committee, which now has this charter before it. Our meetings will begin next Monday. I don't mind advising you that I am already committed to the San Francisco Charter and will do my best to secure its approval by the United States Senate.

I am anxious to be of service to the American Legion at all times and will welcome your suggestions whenever you think I can be of assistance to you.

Cordially yours,

ARTHUR CAPPER.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. STEWART, from the Committee on Agriculture and Forestry:

H. J. Res. 93. Joint resolution relating to the marketing of fire-cured and dark air-cured tobacco under the Agricultural Adjustment Act of 1938, as amended; with an amendment (Rept. No. 453).

By Mr. McKELLAR, from the Committee on Post Offices and Post Roads:

H. R. 169. A bill to amend section 8 of the act entitled "An act to amend the act entitled 'An act to provide that the United States shall aid the States in the construction of rural post roads, and for other purposes,' approved July 11, 1916, as amended and supplemented, and for other purposes," approved July 13, 1943; without amendment (Rept. No. 454).

THE BREITON WOODS AGREEMENTS—
REPORT OF BANKING AND CURRENCY
COMMITTEE

Mr. WAGNER. Mr. President, on behalf of the Senator from New Hampshire

[Mr. TOBEY] and myself, from the Committee on Banking and Currency, I report back favorably with amendments the bill (H. R. 3314) to provide for the participation of the United States in the International Monetary Fund and the International Bank for Reconstruction and Development, and I submit a report (No. 452) thereon.

Mr. President, I wish to give notice that at the next meeting of the Senate I shall ask that July 16 be fixed as the day when the Senate will start consideration of the so-called Bretton Woods bill. I shall also ask that at the opening of the session on that day I may be permitted to make an explanation of the bill itself.

Mr. CONNALLY. Mr. President, I do not expect to object—

Mr. WAGNER. I am merely giving notice.

Mr. CONNALLY. I desire to suggest to the Senator that if he expects to get the Bretton Woods matter up soon I very much wish he would get it up next week, because next week we shall start hearings in the Senate Committee on Foreign Relations on the United Nations treaty, and we are hoping to conclude the hearings perhaps in a week. If we do, we shall wish to come back to the Senate and go to work on the treaty in the Senate. If the Senator sets his bill for the 16th, which will be Monday week, it might interfere with our plans. I was wondering if the Senator could not have his bill taken up the coming week, starting the 9th. Why could he not do that?

Mr. MURDOCK. Mr. President, will the Senator from New York yield?

Mr. WAGNER. I yield.

Mr. MURDOCK. I call the attention of the chairman of the Committee on Banking and Currency to the fact that as I understand, on the suggestion of the Senator from Kentucky [Mr. BARKLEY], the procedure suggested by the chairman of the committee this morning was adopted. Is not that correct?

Mr. CONNALLY. That may be, but the Senator from Kentucky is not present, and if he were present I should make the same suggestion to him. I do not wish to interfere at all with the program suggested by the Senator from New York,

but suppose we got along with our hearings and reported the treaty. As I understand, the Senator from Kentucky has indicated that nothing shall interfere with the consideration of the treaty. If Bretton Woods conflicts, Bretton Woods will have to go off on the side track. That is the way I understood it.

Mr. WAGNER. Our reason for fixing the 16th was that there was an understanding of all the members of the Committee on Foreign Relations that, particularly through next week, we should devote our time to nothing else except listening to the hearings before that committee.

Mr. CONNALLY. I am merely making a suggestion to the Senator. I do not intend to make any objection or create any trouble. It may be we will not conclude the hearings within a week, but we hope to do so.

Mr. WHITE. Mr. President, will the Senator from New York yield?

Mr. WAGNER. I yield.

Mr. WHITE. If I understood the suggestion of the Senator from New York, it was not to fix now a definite time for the consideration of the Bretton Woods agreements. I understood he was merely giving notice that later on he would ask that a time be fixed.

Mr. WAGNER. That was the statement I made.

Mr. WHITE. It seems to me, with great respect, that would be the appropriate time for determining the matter.

Mr. CONNALLY. I am not objecting. I merely wanted to throw out the suggestion.

Mr. WAGNER. If we could begin at an earlier date, it would be perfectly agreeable to our committee, but it is intended, during the first week particularly, that we shall devote all our time to the hearings on the charter, and we were afraid considering proposed legislation in the Senate would interfere with that.

Mr. HATCH. Mr. President, will the Senator from New York yield?

Mr. WAGNER. I yield.

Mr. HATCH. I merely wish to ask the Senator from New York a question, because the matter is not quite clear in my mind. I did not understand the Senator from New York as the Senator from

Maine did. I thought the Senator was requesting that the bill be taken up on the 16th.

Mr. WAGNER. No; I said that at a later time I would ask that that be done. I gave notice that I would make the request later on.

Mr. HATCH. At this time there is no specific request to take up the bill at any certain time?

Mr. WAGNER. There is not. Our only interest in suggesting the 16th was that we did not want any interference with the hearings on the charter, particularly during the first week, which will be next week. It may be that the charter hearings will be practically over within a week; I do not know.

Mr. MILLIKIN. Mr. President, will the Senator yield to me?

Mr. WAGNER. I yield.

Mr. MILLIKIN. May I understand that if the Senator should ask for consideration in the Senate of the Bretton Woods matter at any date other than the 16th, he will take it up with his own committee? We had a definite understanding on this subject in the committee.

Mr. WAGNER. Yes; I would do so. Of course, if I should give notice of any earlier date, I would first refer the matter to the Committee on Banking and Currency, because the understanding in the committee was as I stated earlier.

Mr. MILLIKIN. That is what I understood.

The PRESIDENT pro tempore. Without objection, the report submitted by the Senator from New York will be received, and the bill will be placed on the calendar.

PERSONS EMPLOYED BY COMMITTEES WHO ARE NOT FULL-TIME SENATE OR COMMITTEE EMPLOYEES

The PRESIDENT pro tempore laid before the Senate a report for the month of June 1945, from the acting chairman of the Committee on Appropriations, in response to Senate Resolution 319 (78th Cong.), relative to persons employed by committees who are not full-time employees of the Senate or any committee thereof, which was ordered to lie on the table and to be printed in the RECORD, as follows:

of Senate Resolution No. 319, agreed to August 23, 1944:

To the Senate:

The above-mentioned committee hereby submits the following report showing the

JULY 2, 1945.

names of persons employed by the committee who are not full-time employees of the Senate or of the committee for the month of June 1945, in compliance with the terms

Name of individual	Address	Name and address of department or organization by whom paid	Annual rate of compensation
John F. Feeney.....	1425 Rhode Island Ave. NW.....	General Accounting Office, Washington, D. C.....	\$6,400
Harold E. Merrick.....	906 Aspen St. NW.....	do.....	4,800
Thomas J. Scott.....	1210 34th St. SE.....	Federal Bureau of Investigation, Department of Justice, Washington, D. C.....	4,800
Mrs. Mamie L. Mizen.....	1434 Saratoga Ave.....	District of Columbia government.....	3,500

KENNETH MCKELLAR, Acting Chairman.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. MAGNUSON:

S. 1227. A bill to be known as the General Welfare Act or General Welfare Act Amend-

ments to the Social Security Act, to amend the Social Security Act so as to extend coverage thereunder to all groups and all classes, to amend the Internal Revenue Code so as to provide the revenue for an all-inclusive system of matured annuities for America's senior citizens, and for other purposes; to the Committee on Finance.

By Mr. DOWNEY:

S. 1228. A bill to remove restrictions on the holding by retired officers of certain civilian offices and positions; to the Committee on Appropriations.

S. 1229. A bill for the relief of Wilbur W. Cragg;

S. 1230. A bill for the relief of H. Blue-stone; and

S. 1231. A bill for the relief of Paul E. Tacy; to the Committee on Claims.

By Mr. McCARRAN:

S. 1232. A bill to protect mining companies from any administrative requirements inconsistent with settled law respecting the depletion of ore reserves or mineral deposits; to the Committee on Mines and Mining.

(Mr. McCARRAN also introduced Senate bill 1233, which was referred to the Committee on the Judiciary, and appears under a separate heading.)

By Mr. STEWART:

S. 1234. A bill to double the authorized number of cadets and midshipmen at the United States Military Academy and the United States Naval Academy for the purpose of providing a highly trained group of Reserve officers available for call to active duty with the armed forces; to the Committee on Military Affairs.

By Mr. O'MAHONEY (by request):

S. 1235. A bill to authorize the use of the funds of any tribe of Indians for insurance premiums; to the Committee on Indian Affairs.

(Mr. O'MAHONEY (for himself and Mr. HATCH) introduced Senate bill 1236, which was referred to the Committee on Public Lands and Surveys, and appears under a separate heading.)

(Mr. WILEY introduced Senate bill 1237, which was referred to the Committee on Expenditures in the Executive Departments, and appears under a separate heading.)

By Mr. BILBO:

S. 1238. A bill to amend the Social Security Act so as to provide benefits for individuals who were employed during the war, and who were over the age of 55 on December 7, 1941; to the Committee on Finance.

By Mr. CHAVEZ:

S. 1239. A bill to provide for the retirement of certain officers and former officers of the National Guard of the several States, Territories, and the District of Columbia; to the Committee on Military Affairs.

By Mr. MURDOCK:

S. 1240. A bill to provide for disposition of the unexpended balance of funds paid to the Adjutant General of the State of Utah under the act of July 8, 1898, as amended, for disbursement to officers and men of the National Guard or State militia who performed service prior to being mustered into the armed forces of the United States during the Spanish-American War; to the Committee on Military Affairs.

By Mr. TYDINGS:

S. 1241. A bill for the payment of claims of the Fidelity Trust Co. of Baltimore, Md., and others, covered by findings of fact made by the United States Court of Claims, dated June 5, 1944, and contained in Senate Document No. 229, Seventy-eighth Congress, second session; to the Committee on Claims.

By Mr. MYERS:

S. 1242. A bill to provide for an appeal to the Supreme Court of the United States from the decision of the Court of Claims in a suit instituted by George A. Carden and Anderson T. Herd; to the Committee on the Judiciary.

ADDITIONAL DISTRICT JUDGE FOR KANSAS

Mr. McCARRAN. Mr. President, at the suggestion of the Judicial Council, and as chairman of the Committee on the Judiciary, I introduce a bill to create an additional judgeship in the State of Kansas.

The bill (S. 1233) to provide for the appointment of an additional district judge for the district of Kansas, was read twice by its title and referred to the Committee on the Judiciary.

DEVELOPMENT OF OIL AND GAS ON THE PUBLIC DOMAIN

Mr. O'MAHONEY. Mr. President, on behalf of the senior Senator from New Mexico [Mr. HATCH] and myself, I introduce a bill amending the General Leasing Act and ask that it be referred to the Committee on Public Lands and Surveys.

The bill (S. 1236) to promote the development of oil and gas on the public domain and on lands acquired for the Appalachian National Forest, and for other purposes, introduced by Mr. O'MAHONEY (for himself and Mr. HATCH), was read twice by its title and referred to the Committee on Public Lands and Surveys.

Mr. O'MAHONEY. Mr. President, I should like to state that this bill has been drafted tentatively after conferences with representatives of the Department of the Interior, representatives of the industry, and other who are interested in the development of oil upon the public lands. An opportunity has not been afforded the independents in the petroleum industry to review this measure. It is the purpose of the Committee on Public Lands and Surveys, as I understand the chairman to say, and of the Special Petroleum Committee, to invite scrutiny of this measure not only by independent operators but by all others interested in the development of oil upon the public domain. Hearings will be held later this summer, probably in the West, where that opportunity will be extended.

Mr. HATCH. Mr. President, will the Senator yield to me?

Mr. O'MAHONEY. I yield.

Mr. HATCH. In connection with what the Senator from Wyoming has just said I wish to add that this measure which is introduced today is an amendment of the Mineral Leasing Act, an act of vast importance to the people of the Western States where the public domain is located. Amendments have been under consideration for several years. There has been much discussion of proposals back and forth and this particular measure now makes concrete suggestions upon which we hope we may have, in committee meetings to be held both in Washington and in the West, full discussion, suggestions, and recommendations, for it is an important measure, and certainly we want to hear from all groups of the industry affected.

PROPOSED DEPARTMENT OF PEACE

Mr. WILEY. Mr. President, on June 27, 1945, I spoke on the floor of the Senate on behalf of the creation of a Department of Peace. This Department would be headed by a Secretary of Peace, a man of Cabinet rank. Included in my remarks of June 27 was a column by David Lawrence commending this idea.

This speech brought up to date the suggestion which I had first made on the floor of the Senate on July 7, 1943. Thus, it was 2 years ago from tomorrow that I first advanced this idea.

On June 29, 1945, Representative RANDOLPH, of West Virginia, introduced H. R. 3623, a bill to create a Department of Peace. This bill has been referred to the

Committee on Foreign Affairs of the House.

Today, Mr. President, I am introducing a bill somewhat different from that of Mr. RANDOLPH, but it is one which squares up with the suggestion I have made on the floor of this Chamber heretofore.

I should like to invite attention to the following unique features of my bill:

First. It establishes a Department of Peace, a new Cabinet Department. If so established, this would be the first new Cabinet Department set up since 1913, when the Departments of Commerce and Labor were created.

Second. The head of this Department, the Secretary of Peace, would be ex-officio the delegate of the United States on the United Nations Security Council.

Third. This Department would not be set up to be another lop-sided, bureaucratic machine or a vast propaganda headquarters. It would be staffed by a small group of experts who would assist the Secretary of Peace in specializing and concentrating on the maintenance of world peace.

I believe that passage of this bill would be a "shot in the arm" to our own people and all other peoples in inspiring our mutual efforts to find the way to a just and lasting peace. In particular, this bill would have the following advantages:

(a) It would be the most significant possible manner by which we could confer prestige upon the United States delegate to the United Nations Security Council. It would restore Ed Stettinius to the Cabinet alongside plain-speaking, straight-shooting Jimmy Byrnes. By virtue of modern facilities, Mr. Stettinius could fly back from international sessions to Washington and could sit in on Cabinet meetings all in one day. His presence would increase the value of the Cabinet "family" of our new President, who, to our good fortune, also is a plain, frank, and forthright individual.

(b) It would reassert to the world that this time America means business; that she is going all-out in her support of the plan to insure a peaceful world, and that she expects other nations to do the same. It would reassert that behind the signature of our delegates to the San Francisco Conference on the United Nations Charter, there is the unanimous voice of America which is backing up that Charter. We have the will, the intent, and the purpose to live up to our obligations, and we expect the rest of the world to evidence the same.

(c) It would encourage other nations to send their highest diplomatic representatives to the United Nations Security Council and the United Nations Assembly. It would encourage them to confer similar prestige upon their representatives. It would add still another element which would make for hope and faith in the minds of those other nations, and God knows that they need hope and faith. They would sense the strength, the vitality, the eagerness of our young nation to lead the way in the international picture—a way of righteousness.

(d) It would help to breathe the spirit of life into the United Nations Charter. Of itself, that charter has no vitality. It is only, in the words of our President,

the first step; or, in the words of Marshal Jan Christian Smuts, the San Francisco Conference is only the beginning of a "monumental task to rebuild a sad and disillusioned world." Senator VANDENBERG has said the charter is only an acorn which has the potentialities of a great oak. And, Mr. President, if that acorn is to grow into full fruition, it must have good soil, sufficient rain and sunshine. Such soil, rain, and sunshine would, in this instance, consist of the understanding, the vision, the faith, and the determination of our people and other peoples that the charter must bear fruit.

If this bill were enacted into law, it could whip up the flagging spirits of all the peoples of the world who have been scourged so terribly by war. It would show to all of us that we have a true sense of value, that we are willing to spend a small amount of money directly for the purpose of maintaining peace, just as we are willing to spend billions for battleships and planes, the instruments of war.

It would show that we are eager, as provided in this bill, to use the full weight of moral force for peace, that we are eager to encourage an international free press, to foster international understanding and trust, to remove sources of misunderstanding and friction between peoples.

I ask, therefore, at this time, that my bill for the creation of a Department of Peace be appropriately referred and printed in the RECORD.

There being no objection, the bill (S. 1237) to create an executive department of the Government to be known as the Department of Peace, introduced by Mr. WILEY, was read twice by its title, referred to the Committee on Expenditures in the Executive Departments, was ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That (a) there is hereby created a Department of Peace. The head of that Department shall have Cabinet rank and shall be known as the Secretary of Peace. He shall be appointed by the President by and with the advice and consent of the Senate, and shall receive compensation at the rate of \$15,000 per annum. The Secretary of Peace shall ex officio be the representative of the United States on the United Nations Security Council.

(b) Section 158 of the Revised Statutes is hereby amended to include the Department of Peace, and the provisions of title IV of the Revised Statutes, including all amendments thereto, are hereby made applicable to the department. The Secretary shall cause a seal of office to be made for the Department of such device as the President shall approve, and judicial notice shall be taken of such seal.

SEC. 2. There shall be in the Department of Peace an Under Secretary of Peace, who shall be appointed by the President by and with the advice and consent of the Senate, and who shall receive compensation at the rate of \$10,000 per annum. The Under Secretary shall perform such duties as may be prescribed by the Secretary or required by law.

SEC. 3. The Secretary of Peace shall have the duty (a) of concentrating and specializing on the maintenance of world peace; (b) of promoting better understanding of the

other peoples of the world and better understanding of the fundamental principles of international relations and of cooperation among nations; and (c) of using the full weight of moral force in encouraging international freedom of the press, in removing frictions and misunderstandings which make for war.

SEC. 4. The Secretary of Peace is authorized to make such expenditures (including expenditures for personal services and rent at the seat of Government and elsewhere, for law books, books of reference and periodicals, and for printing and binding) as may be necessary to carry out the provisions of this act, and as may be provided for by the Congress from time to time.

SEC. 5. The Secretary of Peace shall annually, at the close of each fiscal year, make a report in writing to the Congress, giving an account of all moneys received and disbursed by the Department of Peace, and describing the work done by the Department.

SEC. 6. There are authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, such sums as may be necessary to enable the Department of Peace to carry out the provisions of this act and to perform any other duties which may be imposed upon it by law.

SEC. 7. This act shall take effect — days after the date of its enactment.

FEDERAL AID TO AIRPORTS IN THE UNITED STATES—AMENDMENTS

Mr. BREWSTER submitted amendments intended to be proposed by him to the bill (S. 2) to provide for Federal aid for the development, construction, improvement, and repair of public airports in the United States, and for other purposes, which were ordered to lie on the table and to be printed.

CLAIMS OF ALDERSON REPORTING CO.

Mr. McCARRAN submitted the following resolution (S. Res. 151), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the Committee on the District of Columbia hereby is authorized to expend from the contingent fund of the Senate the sum of \$2,598.75 for payment to the Alderson Reporting Co. for services performed in stenographically reporting and transcribing hearings held from January 24 to June 10, 1944, incident to the investigation of the slum clearance and housing programs of the National Capital Housing Authority: *Provided*, That such payment shall be charged to the original allotment of \$5,000 authorized to be expended during the Seventy-eighth Congress for stenographic reporting on subjects referred to the committee.

Mr. McCARRAN submitted the following resolution (S. Res. 152), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the Committee on the District of Columbia, authorized by Senate Resolution No. 178, agreed to September 17, 1943, to investigate conditions at Gallinger Municipal Hospital, hereby is authorized to expend from the contingent fund of the Senate the sum of \$749 for payment to the Alderson Reporting Co. for services performed in stenographically reporting and transcribing hearings held from September 27 to October 1, 1943, incident to such investigation: *Provided*, That such payment shall be charged to the original allotment of \$5,000 authorized to be expended during the Seventy-eighth Congress for stenographic reporting on subjects referred to the committee.

HOUSE BILLS REFERRED

The following bills were severally read twice by their titles and referred as indicated:

H. R. 476. An act to revive and reenact the act entitled "An act creating the St. Lawrence Bridge Commission and authorizing said Commission and its successors to construct, maintain, and operate a bridge across the St. Lawrence River at or near Ogdensburg, N. Y.," approved June 14, 1933, as amended;

H. R. 2690. An act to amend the Bonneville Project Act;

H. R. 3150. An act to revive and reenact the act entitled "An act to authorize the city of Duluth, in the State of Minnesota, to construct a toll bridge across the St. Louis River, between the States of Minnesota and Wisconsin, and for other purposes," approved August 7, 1939;

H. R. 3373. An act authorizing the reconstruction of the Spring Common Bridge on Mahoning Avenue, across the Mahoning River in the municipality of Youngstown, Mahoning County, Ohio; and

H. R. 3549. An act to provide for the conveyance of certain Weather Bureau property to Norwich University, Northfield, Vt.; to the Committee on Commerce.

H. R. 799. An act for the relief of the estate of Stanley E. Smallwood; to the legal guardian of Frank Carter, Jr., a minor; to the legal guardian of Donald R. Keithley, a minor; to Keithley Bros. Garage;

H. R. 851. An act for the relief of Oscar R. Steinert;

H. R. 1145. An act for the relief of Ben W. Colburn;

H. R. 1301. An act for the relief of Madeleine Winter and Ethel Newton;

H. R. 1456. An act for the relief of George E. Baker;

H. R. 1563. An act for the relief of N. Owen Oxley and the legal guardian of Lamar Oxley, a minor;

H. R. 1565. An act for the relief of Inglis Construction Co., a corporation;

H. R. 1634. An act for the relief of the city of Council Bluffs, Iowa;

H. R. 1674. An act for the relief of Mrs. Ollie Patton;

H. R. 1851. An act for the relief of the widow and three children of Greenfield Payne;

H. R. 2317. An act for the relief of Mrs. Virginia M. Kiser;

H. R. 2529. An act for the relief of Earl J. Shows;

H. R. 2545. An act for the relief of Florida Rhone Burch;

H. R. 2737. An act for the relief of Clara Black;

H. R. 2866. An act for the relief of Mrs. Rita Cauvin Green;

H. R. 3363. An act for the relief of Paul W. Mankin;

H. R. 3419. An act for the relief of the estate of Mrs. Mary Karalis; and

H. R. 3453. An act for the relief of John W. Farrell; to the Committee on Claims.

H. R. 1512. An act to amend section 9 of the Pay Readjustment Act of 1942 (Public Law 607) by providing for the computation of double-time credits awarded between 1898 and 1912 in determining retired pay; to the Committee on Military Affairs.

H. R. 1765. An act to provide for the conveyance to the State of Iowa of the Agricultural Byproducts Laboratory on the campus of the Iowa State College of Agriculture and Mechanic Arts;

H. R. 1992. An act to authorize the sale of certain public lands in Alaska to the Catholic bishop of Alaska, in trust for the Roman Catholic Church; and

H. R. 2613. An act to authorize the War Food Administrator or the Secretary of Agriculture to adjust boundary disputes by set-

ting claims to certain so-called Sebastian Martin grant lands, in the State of New Mexico; to the Committee on Public Lands and Surveys.

H. R. 2522. An act to authorize the Secretary of State to continue to completion the collecting, editing, and publishing of official papers relating to the Territories of the United States; to the Committee on Printing.

H. R. 3256. An act to amend the Civil Service Retirement Act approved May 29, 1930, as amended, in order to protect the retirement rights of persons who leave the service to enter the armed forces of the United States; to the Committee on Civil Service.

H. R. 3417. An act for the relief of Clarence J. Spiker and Fred W. Jandrey; to the Committee on Foreign Relations.

H. R. 3649. A bill making appropriations for war agencies for the fiscal year ending June 30, 1946, and for other purposes; to the Committee on Appropriations.

MR. AND MRS. STEPHEN E. SANDERS

The PRESIDENT pro tempore laid before the Senate the amendment of the House of Representatives to the bill (S. 956) for the relief of Mr. and Mrs. Stephen E. Sanders, which was, on page 1, line 6, to strike out "\$1,000" and insert "\$677."

Mr. BREWSTER. Mr. President, I move that the Senate concur in the amendment of the House.

The motion was agreed to.

CHINA'S FUTURE

Mr. THOMAS of Utah. Mr. President, tomorrow, July 7, marks the completion of 8 years of war against the aggressor, Japan, by China. The suffering of China during these 8 years is known to the whole world. China's ability to resist has gained the admiration of all peoples. The fact that in 8 long years Japan has not exceeded in her plans to dominate the Orient proves to us that ultimately she will fail completely. Those thoughts are thoughts of the present and the past. I think that we should think of the future.

China has been given the position of one of the Big Five in the council of the nations of the world. China's peoples and China's ideals and her economic strength all make her worthy of this position, but I, as a friend of China, would never be satisfied in assuming that she has no more problems. To me, China is the world's biggest problem. If happiness can come to the mass of her people, if security can be made certain there, the whole world can succeed in making the prayer of the peoples of the whole earth at this time successful. In the final analysis, even the great friends and allies of China can only help. China herself must solve her internal problems. This her present-day leadership understands.

The Chinese people are practical. In many senses they are idealistic. Ultimately, they, of course, will succeed because her civilization is today the longest lived of any civilization in the world. That she will be thoughtful, I have full confidence. That she may ask for too much is merely a reflection of a new nationalism that may be strong at near but weak in its extremities. As an American, I do not pat myself on the chest and say, "Be like us." I do not give ad-

vice, but I do pray that China's future may reflect in a glorious history the opportunities her allies and her friends and the well-wishers of the world have now given her.

THE UNITED NATIONS CHARTER—NOTICE OF HEARINGS BEFORE COMMITTEE ON FOREIGN RELATIONS

Mr. CONNALLY. Mr. President, I wish to make a brief announcement. The Committee on Foreign Relations will begin hearings on the United Nations charter next Monday, the 9th, at 10 o'clock a. m., in the caucus room of the Senate Office Building. The committee has directed me to invite all Senators who possibly can to attend the hearing, especially in the early stages, because we believe their attendance will contribute greatly to an understanding of the treaty by Senators and will possibly shorten the discussion in the Senate. I also wish to suggest that the committee advises that it is hoped that many of those who desire to appear before the committee will file their views in writing rather than take up the time of the committee in oral arguments. It is believed that this will greatly shorten the hearings, and it will not in any way impair the full consideration by the committee of all pertinent matters.

The committee is extremely anxious to make all due speed, having regard, of course, to the wishes of the Senate and proper consideration and proper debate. I am glad to make this statement and this announcement for the information and guidance of the Senate.

Mr. JOHNSON of California. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield.

Mr. JOHNSON of California. At what hour did the Senator from Texas say the committee would meet?

Mr. CONNALLY. At 10 o'clock a. m., on Monday next.

Mr. JOHNSON of California. Oh—

Mr. CONNALLY. If the Senator would prefer, I will make it 10:30.

Mr. JOHNSON of California. Yes.

Mr. CONNALLY. Very well. The committee will meet on Monday morning at 10:30 o'clock. My desire is always to accommodate the Senator from California. He is a very valuable and important member of the committee, and I am delighted to accede to his wishes.

Mr. JOHNSON of California. Yes; the Senator from California is extremely valuable.

Mr. CONNALLY. The Senator is very valuable. He has a great record, and I hold him in the highest admiration and esteem.

Mr. JOHNSON of California. I thank the Senator.

THE UNITED NATIONS CHARTER—ADDRESS BY HON. HAROLD E. STASSEN

Mr. FERGUSON. Mr. President, in the years to come we will look for the things which were said in relation to the work of the San Francisco Conference and in relation to the United Nations Charter as we today look to the record of the constitutional convention and the articles which were written about it in

considering the Constitution of the United States. We will have to interpret the United Nations Charter in the light of the things that were going on at the time it was made. No one is better able to tell us what it means or what was done at San Francisco than those who were there. The Senator from Texas [Mr. CONNALLY] and the Senator from Michigan [Mr. VANDENBERG] have returned and have given us their statement as to the interpretation of various articles of the United Nations Charter.

Last night I had the good fortune to hear Commander Harold E. Stassen, who was also a delegate of the United States at San Francisco, deliver an address on the charter at the auditorium of the Department of Commerce in Washington, D. C., and I think as a part of the Record we should have his interpretation and his language and understanding.

Therefore, I ask unanimous consent that I may place in the Record what he had to say on the charter last evening.

The PRESIDING OFFICER. Without objection, it is so ordered.

The address is as follows:

Mr. Chairman, fellow citizens, having completed my assignment as a delegate, I will resume my naval duties within a few days.

But tonight I speak to you as an individual citizen, and will frankly discuss the results of the San Francisco Conference and the future world policy of our United States.

History, of course, must be the real judge of the San Francisco Conference and of the United Nations Charter that was drafted there. But some things can and should be said now. It was a thrilling moment on the afternoon of June 23 when the question was put to the steering committee as to the approval of the Charter as it then lay before them, the result of hours and days and weeks of discussion and dissension, of conference and of compromise, of translation, and revision. It was late in the afternoon in room 223 of the Veterans' Building, where so many earnest discussions had taken place. The arguments over clauses had been carried right up to the hour immediately preceding this vote. Chairman Stettinius asked if there was any further discussion. There was no response. Then he said, "Those who approve of the Charter will raise their hands." The interpreter immediately restated the question in French, and down the long tables the hands of the chairmen of delegations began to arise. The secretaries quickly counted and turned to the chairman and said, "With your vote, Sir, it's 50 votes, or unanimous!" Somehow, in the atmosphere of that room, as you looked from face to face, as you thought of the billion and a half of the world's peoples that were represented, of all colors, and of many races, tongues, and creeds, as you realized that most of them had stood together through extremely difficult years of bitter fighting and suffering in the war, there was a definite inner feeling that the Conference had been a real success; that this United Nations Charter might well become one of the truly great documents of all time.

As you read this charter, and I sincerely commend its reading to every citizen of our country and to every boy and girl who looks forward to being a citizen, you will find that it sets forth, in black and white, in five languages, in a curious blend of idealism and realism, the fervent hopes and aspirations of the 2,000,000,000 peoples of the world.

The measure of its greatness may well be found not so much in its immediate clauses but in the fact that it has within it the room for growth and adjustment and change under future world transitions and experiences. It is drafted, not for a world standing still but for a world that is dynamic and living. It provides the means for peaceful change with justice and without war. It has many open pathways for progress within its own broad terms.

It also provides for future revisionary conventions, which may be held after the millions of men who are now in the armed services have returned to their civilian occupations throughout the world and can take part in the deliberations of their countries.

The very opening words of the Charter are significant. They are: "We the people of the United Nations, determined to save succeeding generations from the scourge of war." Contrast this with the opening words of the League of Nations Covenant: "The high contracting parties, in order to promote international cooperation" etc.

This Charter recognizes that if there is to be peace—a lasting peace—a just peace—then all the peoples of the world must have the hope of gradually improving their conditions while at peace. It recognizes indirectly that peace cannot endure where conditions of political, economic, or social tyranny are widespread. Therefore, it establishes for the first time in history a worldwide social and economic council of 18 members, elected by the general assembly, and gives to them broad objectives and a wide field of activity, even though admittedly, very little direct power. Here will be an instrumentality for a continuing, constructive approach to the underlying causes of economic warfare and injustice which impede the progress and threaten the peace of men. If this economic and social council has constructive and vigorous and far-sighted leadership—if its recommendations are sound and world public opinion is mobilized behind them—this section of the Charter will become one of the most important.

It can have a direct bearing on the jobs and the food and the shelter and the clothing and the literacy and the health and the happiness of the peoples of the United States of America, and of the world.

Another significant underlying principle will be found expressed most clearly in the chapters on the trusteeship of nonselfgoverning people. This is the principle that the whole world is entitled to know what is happening to the men and women and children in all parts of the world. The responsibilities of those more advanced states who are administering peoples who are not yet capable of governing themselves are stated in very strong and direct terms, and a specific provision is included for reports to the world through the organization as to the general welfare of the people who live in these territories. In other words, just as we so correctly emphasized that all the people in the world must recognize that this is one world and must be concerned with what happens to other parts of the world, just so the world as a whole must be interested in and must be informed about what is happening to the various peoples of the world.

We recognize that this great principle, stated for the first time, will not be fully and suddenly realized, but this is a significant start. The United States should take the lead by sending to the new organization, within the limits of security considerations, full information as to the health and mortality and educational and literacy and civil rights of all of the peoples that are now or hereafter come under its jurisdiction.

The United Nations Security Council is the body which will be looked to for the direct maintenance of peace and security. Its 11 members, which include the 5 major powers, China, France, Great Britain, Russia, and the

United States, and 6 others to be elected by the General Assembly, will have the primary responsibility for the maintenance of peace and security. It will have the right and the duty to step into serious disputes at an early state. The measure of its success will be in accordance with the speed and decisiveness with which it intervenes early in the situations. When a dispute or situation arises, which threatens world peace, any 7 of the 11 members may invite before the Security Council any of the parties to the dispute and any other interested states. Any 7 of the members of the Security Council may place this dispute on their calendar for discussion with the interested parties, and for extensive hearings and consideration. Any 7 members of the Security Council may decide to meet at the scene of a dispute. These actions are all under articles 28 to 32, which are procedural articles of the Security Council, and no veto can be exercised. If after these discussions and consideration and hearings there is a desire to order an investigation to go more fully into the facts, the Security Council may order an investigation and in that decision, any member of the Security Council who is itself a party to the dispute cannot vote and must stand aside. The major powers who are not parties to the dispute, plus enough of the other members to make a total of at least 7, may order the investigation. Likewise, if it is desired that a recommendation of the terms of settlement should be made, any parties to the dispute who are members of the Security Council cannot vote and must stand aside. The other major powers, plus a sufficient number of the other members, to total at least 7, may recommend the terms of a settlement to the parties. At this point, the Security Council will, in effect, be passing judgment upon the merits of the dispute. It will be doing so without the vote of any party to the dispute, whether it be a major power or a minor power. Thus the full facts of the dispute can be brought before the world and the full moral force of the world and the full persuasive power of world public opinion will be brought to bear at an early stage.

If this is not enough, then the Security Council may begin to take measures to maintain or restore peace. These may include economic sanctions, or the actual application of military force. The members of the organization are to make agreements with the Security Council as to what forces they will hold available for these purposes. The decision to use force, either economic or military, requires the unanimous vote of the five major powers and at least two of the other six members of the Security Council. This, of course, means that if a major power acts arbitrarily and aggressively, contrary to the full force of world public opinion and contrary to its obligations under the charter, then the Security Council itself will not be able to bring economic or military force to bear. This is in some ways a point at which the organization falls short, or a point of weakness. But in other ways, it is a realistic recognition of the situation that actually exists in the world. If such arbitrary and willful and illegal action is ever taken by a major power, then it will be a bad situation in the world—with or without—a world organization. Furthermore, the charter specifically provides in article 51 that when an armed attack occurs, nothing in the charter shall impair the right of individual or collective self-defense, so that the other nations of the world may then make their decisions as to the method by which they will restore international peace and justice.

This particular voting provision which was agreed upon at Yalta by President Roosevelt, Prime Minister Churchill, and Marshal Stalin, and which is included in the final charter, emphasizes the importance of joint agreement between the major powers of the world in the use of force if there is to be peace and

security. It has been correctly called a right of veto on the part of each of the major powers. It can also correctly be called a rule of unanimity and it should be emphasized that it places a solemn duty upon each of the major powers to find the basis for a just agreement, consistent with the principles and obligations of the charter.

The Charter's provisions for the General Assembly, which will be the world forum of the future, are complete and comprehensive, and establishes this vital body with 50 seats, one for each member. It has the power to discuss and make recommendations on any international subject within the scope of the entire charter.

The World Court section is likewise well drafted. It revises the old World Court statute and makes the new court an integral part of the entire organization with 15 judges, not more than 1 from any 1 member.

The Trusteeship Council will have very significant responsibilities for dependent peoples. Its membership will be divided equally between members who are administering dependent peoples and others who are not administering dependent peoples. It should be noted that there is no veto in the General Assembly, or the Social and Economic Council, or the World Court, or the Trusteeship Council. These bodies all reach their decisions on either a majority or a two-thirds vote.

Taken as a whole, the charter is a human document. It is a realistic document. It is not perfect. It has weaknesses. The voting procedure has two extremes varying from one equal vote for each member in the General Assembly, regardless of size or strength or population, to the veto requirement of the affirmative vote of each of the five major powers on nearly all important decisions in the Security Council. The jurisdiction of the very excellent world court is still optional, and the States are not required to submit to it. The General Assembly and the Economic and Social Council can only recommend and they cannot directly legislate rules for world conduct. The organization will have no individual direct source of revenue or taxation, and must rely on appropriations from its members. The Bill of Rights is not spelled out specifically in exact terms. The organization does not have an international police force of its own, but must rely upon the forces which the members are to agree to furnish. The mutual assistance treaties of Europe are not brought under the organization's jurisdiction to the desirable degree. The organization will not have direct jurisdiction over the airways of the future nor over the gateways to the seas.

But in each of these instances of what I term weaknesses, there is room for growth and development and correction of them at such time as their necessity is apparent provided that the American people, as expressed by two-thirds or more of the Senate, so decide, and provided that the governments of the other major powers, and of at least two-thirds of all the members, join in the decision.

These weaknesses or shortcomings should not cause us to minimize the great measure of advance that has been made. Is it not clear that of utmost importance is the fact that the organization, with these high goals and objectives to which all mankind subscribes, is actually being formed with such an overwhelming support? I do not believe that we should ever go beyond the point in our world policy to which at least two-thirds of our people are convinced we should go. This, of course, makes it all the more important that we talk frankly to the people about the world problems and about our viewpoints on them, so that they are in a position to form their opinions.

I should like to pay a special tribute tonight to those of the leadership of our country, including so many of the officers of the

national organizations that are represented here tonight, and including many individuals in the Senate and the House and in public life, for the part they have played in the very thorough discussion of our participation in a world organization and in the formation of the plan for this charter. This unusual discussion of high national policy, participated in so thoroughly by the American press and radio and movies, has brought us to the point where the country is united as never before on this issue.

Through the long difficult weeks of negotiation in San Francisco, the consulting groups that were represented there were very helpful and accomplished definite results. I also wish to express a very sincere word of appreciation of my fellow members on the United States delegation—Mr. Hull, Senators Connally and Vandenberg, Representatives Bloom and Eaton, and Dean Gildersleeve—and to the very able, determined chairman, Mr. Stettinius. These members of the delegation frequently started discussion of a problem with each of them holding a different viewpoint. But by a constructive and thorough consideration they reached in every instance unanimous decisions. In that process they never yielded to anyone on any basic principle of this country. But they did seek the area of agreement with the other nations of the world. The result is the document that is now before the Senate. I have been very much encouraged by the reception that it has been accorded. It is very significant that not a single Member of the United States Senate has thus far stated that he would vote against it. I hope that not only will the charter obtain the necessary two-thirds ratification but that, in fact, without a single reservation, it will in the final vote receive the unanimous support of the United States Senate. This would have a tremendously important psychological effect throughout the world. The United States Senate was unanimous in its declaration of war. I hope it can be unanimous in its declaration for a just and lasting peace.

But when the Charter is ratified by the United States Senate, by the other four major powers, and by at least a majority of the other members, it is of terrific importance that the people of this country and of the world do not feel that they have thereby automatically insured future peace, or that they have ipso facto solved the problems of tomorrow. Even at its greatest significance the charter only establishes a framework, a machinery, a code. The success in obtaining the goal will depend upon the good faith and continued alert interest of the peoples of the world. No charter and no machinery can overcome widespread bad faith or ill will or malice or complacency. That is why our adherence to the charter is only one step in the whole field of our world policy.

We in the United States are now thoroughly and almost unanimously agreed that the walls of isolation are gone forever, that as that great American, Wendell Willkie, so vividly said, "This is one world," and that we should join in a United Nations organization dedicated to peace and progress.

But we have not yet thought through the manifold problems of the reorientation of our entire world policy that must result from these agreed facts. This thinking through and definite formulation of our future world policy is one of the most urgent tasks before our country. We must find in both broad and specific terms what our view is on the problems of world relationship. I do not claim to have the final answers, but to stimulate the discussion and search for the answer I frankly present these as suggested broad principles of our world policy:

First. That we will follow through to complete, decisive victory over Japan and to the reestablishment of peace and stability in the Pacific.

Second. That we not only ratify the United Nations Charter but that we also give the

new organization full support in all its activities and grant to our representative on the Security Council broad powers when he acts with the approval of the President.

Third. That we accept the responsibilities of participating in world leadership; that we develop an intelligent, informed, American viewpoint on major world problems; and that we mediate and work out solutions between contending viewpoints in the world.

Fourth. That we consider the future welfare and peace and happiness of the people of America as inseparably intertwined with the future welfare and peace and happiness of the men and women and children of the world.

Fifth. That we remain strong in our domestic economy, with sound liberal policies within an economic system of private capital and individual enterprise, and that we use this enormous productive capacity and the great reservoirs of capital and of credit and technical skill which that system gives to us, to contribute to the gradual advancement of the standards of living of the peoples of the world, not as recipients of charity, but as self-respecting men and women of dignity and of pride.

Sixth. That we enter into agreements for the use of our armed forces in support of the stability and security of the world through the United Nations Organization, and to that same end we remain strong on land and sea and in the air and obtain complete authority for the necessary administration or use of essential bases and airfields throughout the Pacific, from Japan to the Indian Ocean, from the coast of China to South America, and throughout the Atlantic, from north to south, from the Mediterranean to the Panama Canal.

Seventh. That those who are aggressors in this war shall be stripped of all means to make war and shall remain so stripped.

Eighth. That we believe that freedom of information through press and radio and school and forum, and freedom of worship, are vital factors in the peace and progress of the world; that we will seek constantly to increase the area of the world in which these freedoms are specifically recognized, and we will urge their ultimate specific inclusion as among the fundamental freedoms of the United Nations Charter.

Ninth. That we support the new world court and at an early date accept its continuing obligatory jurisdiction over appropriate international legal questions of the United States of America.

Tenth. That we take the position that the world is entitled to know what is happening to dependent people; that we make appropriate reports of all peoples in our jurisdiction; that we expect similar reports to be made by others; and that we extend in a practical way a helping hand to these peoples in their struggle for progress.

Eleventh. That we are and propose to remain a democracy of free citizens, that we will explain our system to the world, but that we will leave it to the peoples of each nation to decide for themselves their own form of government so long as they do not trample on basic human rights or threaten the peace of the world or transgress upon their neighbors; that we will permit our own citizens to learn of any other form of government that they wish to study, but will not permit any other government to seek actively to undermine our own.

Twelfth. That through it all, we will constantly emphasize and recognize the basic dignity of man and his inalienable right to life, liberty, and the pursuit of happiness.

The methods by which we seek to advance these principles of our world policy are almost as important as the principles themselves. It was my observation at San Francisco that the best results were obtained in our conferences with the other nations of the world when we were frank and friendly and firm. These should be the watchwords

of our methods in our future dealings with the United Nations of the world—be frank and friendly and firm.

We should carefully analyze the economic, social, and political basis on which we can expect to maintain continuing good relationships to each of the other United Nations and discuss these principles plainly with the other nations concerned, inviting at the same time their views of the basis for such long-range friendship.

We should make it clear that friendship to each and every one of the United Nations does not mean that we will take a friendly attitude toward any of our own citizens who demonstrate a greater loyalty to some other country than they do to our own.

We should make it equally clear that those of our citizens who deliberately or carelessly repeat and publish half-truths and distortions which are calculated to injure our relations with any one of the United Nations are not serving the best interests of America.

The unfaithful sons and the common gossipmongers are both just as harmful to harmonious world relationships as they are harmful to harmonious family relationships.

As a democracy, our world policy should also be conducted with a maximum of direct information to the American people. In fact, our world policy can be successful only if the people are thoroughly informed and the reasons and difficulties are interpreted to them. This should be carried to the point that, except for military security, the American people should be promptly informed of every definite international proposal that is made by our Government. Obviously, preliminary discussions and exploratory negotiations and studies will need to take place before a definite proposal can be made. But as soon as the stage is reached where a definite proposal of our Government is to be made, it should be released to the press and the radio and given to the people of the country. This will mean frequently, of course, that our original proposal as announced will subsequently need to be changed or adjusted or modified to meet the other governments that are involved, or to meet new facts that were not taken into account in the original proposal. But I am confident that the American people will understand these things. They know that similar adjustments and compromises take place in everyday life and they will recognize the necessity of harmonious world relations.

There will, of course, be some disadvantages to this method of conducting our foreign affairs. At times it may handicap our negotiations. But in my judgment these disadvantages will not be as great as are the disadvantages of the other course of not informing the people. In fact, I would give a good portion of the credit for the successful conclusion of the San Francisco Conference to the fact that during the last half of the Conference, either through direct release or through their enterprising search for news, the press of America and of the world attained an unusual degree of accuracy and of promptness in reporting the course of deliberations and the result of conferences. I believe this also has a direct bearing upon the unusual support that is now present for the final result in the United States. This policy of keeping the people informed will, of course, mean an end to some of the old methods of devious diplomacy. It will mean that there cannot be international combinations of friends versus friends. There cannot be special blocs. There cannot be secret agreements. It means we must be open, strong, friendly, progressive, and humble leaders among and toward the peoples of all the world.

Such a policy also emphasizes the responsibility of the press. If a free press is to be true to its own great privileges, it must exercise a high sense of responsibility and of self-discipline. It must use its own columns and its own headlines with careful thought as to

their accuracy and their effect upon the welfare of the people of its country and of the world. Such self-discipline will assist in the spreading of free press throughout the world. Inaccurate scare headlines, false and twisted columns, are not the best salesmen of free press to other nations which are now considering their press policies. We can and do point out the overwhelming advantages, but self-discipline would make the salesmanship easier.

If we are to follow through on these broad principles of world policy, we will need to move promptly to formulate considered constructive viewpoints of this country upon the major problems of the world. This could best be done by the appointment by the President of bipartisan policy groups upon each of the major problems. These policy groups ought to include representation from the State Department, from both Republicans and Democrats in the Senate and in Congress, from the military and the veterans, and some of the other leaders of our citizenry, including representation from the economic groups of labor and management and agriculture. These special policy groups should begin promptly to study the respective problems assigned to them and seek to evolve a recommended viewpoint for the United States. Among the major world problems that urgently need this special extended and careful consideration are the Japanese surrender terms; the rebuilding of war-torn Europe; the Near East and the Arab Federation; the Dardanelles; world shipping after the war; postwar world aviation; China's future; India and her new constitution; the Balkans; world trade with the British Empire; world trade with the Soviet Union; future development of the Pan-American Union; our economic relations with South America; human rights throughout the world; Africa's role in the world of tomorrow; and the long-range administration of Germany.

These special policy groups would definitely not be administrative in their functioning. But they would be policy-recommending conferences and they would play a definite part in the development of informed public opinion and they would increase the prospect of intelligent governmental decisions when specific issues arose within the field of each of these major world-wide questions. If we fail to move forward upon these problems, we fail in the responsibility that is ours. We drift along. We leave vacuums that create confusion and distrust. This is a large order—yes—but not too large, and it is essential to the future well-being of the people of this country and of the world. Nothing less than this is worthy of this Nation which opened its fields, its prairies and cities to the sons and daughters of all nations, and through the very rights and opportunities it gave them and the duties it placed upon them became the powerful leader that it is today.

I am so extremely desirous that we do proceed to study these problems because I am fundamentally convinced that if our policies are wise and if the American people understand what we are doing, we will be able to live at peace in a world at peace. With wisdom and foresight we will be able to live on friendly terms with all of the other United Nations of the world. This will particularly require an increased understanding between the major powers of the world. It will require an increased understanding between the peoples of each of them. Here again the press and the radio and the movies have a special responsibility. I hope that our newspapers and our radio and motion picture companies send increased numbers of correspondents and representatives throughout the world to learn of other peoples and their problems and their attitudes, and report back to the American people. I hope that other countries of the world will send representatives of their press and their radio and their movies to this country and to other parts

of the world and report back to their people. I hope that there is increased travel of the peoples of all countries. I hope that there is an increased exchange of students between the institutions of higher learning from the various parts of the world. We must basically recognize that there is room on the world for all the peoples in it. There is need in the world for all the world's production, and new producers will mean new consumers.

I know that there will be cynics who will say that goals such as these discussed tonight cannot be realized. They will scoff at the very idea of the United States of America playing a role such as this in world affairs. But let us not forget that the real progress of the world has always come because some men have done what others said could not be done. We have won the European war and are on our way to victory over Japan because time and again men have accomplished the impossible. We must not forget that the cynics said that Stalingrad could not stand, but it did. The cynics said the Rhine could not be crossed, but it was. They said that with those small forces Guadalcanal could not be held, but it was. They said the RAF could not survive, but it did.

Back in 1787 when this country was being formed, an eminent spokesman, Josiah Tucker, said, "As to the future grandeur of America, and its being a rising empire under one head, whether republican or monarchical, it is one of the idlest and most visionary notions that ever was conceived even by writers of romance. The mutual antipathies and clashing interests of the Americans, their differences of governments, habitudes, and manners, indicate that they will have no center of union and no common interest. They never can be united into one compact empire under any species of government whatever; a disunited people till the end of time, suspicious and distrustful of each other, they will be divided and subdivided into little commonwealths or principalities, according to natural boundaries, by great bays of the sea, and by vast rivers, lakes, and ridges of mountains."

May the cynics of today who scoff at the United Nations be as wrong as this cynic of yesterday who scoffed at the United States.

And may these United States of America meet the challenge of a just peace as thoroughly and effectively as they met the challenge of war.

With all of our industrial and military strength today, peace loving nations do not fear us. Aggressors do. So must it ever be.

May this Nation, under God, with its precious freedom and liberty, recognize and strive mightily to fulfill its new responsibilities to mankind and its new opportunities for mankind.

INDEPENDENCE DAY ADDRESS BY SENATOR GUFFEY

[Mr. MYERS asked and obtained leave to have printed in the Record an address delivered by Senator GUFFEY on July 4, 1945, before the nineteenth annual Independence Day celebration under the auspices of the Soho Community Association, which appears in the Appendix.]

POSTWAR INTERNATIONAL AIR TRANSPORTATION—ADDRESS BY COL. J. CARROLL CONE

[Mr. McCLELLAN asked and obtained leave to have printed in the Record an address entitled "Postwar International Air Transportation," delivered by Col. J. Carroll Cone, assistant vice president, Pan American Airways System, at a meeting of the Aviation Writer's Association at Chicago, Ill., on June 9, 1945, which appears in the Appendix.]

FLAG DAY ADDRESS BY EDWARD M. CONNELLY

[Mr. MAGNUSON asked and obtained leave to have printed in the Record a Flag Day ad-

dress by Edward M. Connelly, United States Attorney at Spokane, Wash., before the Elks Lodge, at Spokane, June 13, 1945, which appears in the Appendix.]

PROGRAM AT EXHIBITION OF PHOTO-MURALS DEPICTING ATROCITIES IN NAZI CONCENTRATION CAMPS

[Mr. THOMAS of Utah asked and obtained leave to have printed in the Record the program at the opening of an exhibition of photomurals depicting atrocities in Nazi concentration camps for political prisoners, held at the Library of Congress, Washington, D. C., June 30, 1945, which appears in the Appendix.]

TRAVELING CONDITIONS FOR SOLDIERS—WAR DEPARTMENT PRESS RELEASE

[Mr. THOMAS of Utah asked and obtained leave to have printed in the Record a press release issued by the Under Secretary of War, Hon. Robert P. Patterson, relative to traveling conditions for members of the armed forces, which appears in the Appendix.]

PERFORMANCE OF NEGRO SOLDIERS AT THE FRONT

[Mr. THOMAS of Utah asked and obtained leave to have printed in the Record a press release of the War Department dated July 5, 1945, in regard to the performance of Negro soldiers at the front, which appears in the Appendix.]

REVIEW BY DR. EDWARD WHITING FOX OF THE BOOK, THE FOUR FEARS

[Mr. THOMAS of Utah asked and obtained leave to have printed in the Record a review written by Dr. Edward Whiting Fox, of Harvard University, published in the New York Times, of the book, The Four Fears, written by Senator Thomas of Utah, which appears in the Appendix.]

FEDERAL HEALTH INSURANCE—LETTER TO DR. MORRIS FISHBEIN

[Mr. WAGNER asked and obtained leave to have printed in the Record a letter from two of his constituents addressed to Dr. Morris Fishbein, dealing with the health insurance provisions of the social security bill, which appears in the Appendix.]

NAVY ISLAND AS PROPOSED SITE FOR UNITED NATIONS SECURITY COUNCIL HEADQUARTERS

[Mr. MEAD asked and obtained leave to have printed in the Record an editorial entitled "Navy Island Ideal Site," published in the Buffalo Courier-Express, which appears in the Appendix.]

FEPC, A GESTAPO FOR AMERICA—EDITORIAL FROM WEST HARTFORD (CONN.) METROPOLITAN NEWS

[Mr. BILBO asked and obtained leave to have printed in the Record an editorial entitled "FEPC, a Gestapo for America," published in the West Hartford (Conn.) Metropolitan News of May 17, 1945, which appears in the Appendix.]

PRESIDENTIAL SUCCESSION—ARTICLE BY ARTHUR KROCK

[Mr. HATCH asked and obtained leave to have printed in the Record an article entitled "House Succession Bill Faces Fight in the Senate," written by Arthur Krock and published in the New York Times of July 1, 1945, which appears in the Appendix.]

PROPOSED FEDERAL LABOR RELATIONS ACT—NEWSPAPER COMMENT

[Mr. BURTON asked and obtained leave to have printed in the Record an article entitled "Remedial Legislation" by Mark Sullivan, published in the Washington Post of July 2, 1945, and an article entitled "Says Labor Bill in Senate 'Would Correct Many

Evils," by Westbrook Pegler, published in the Cleveland Press of June 28, 1945, which appear in the Appendix.]

THE CHURCHES AND THE CHARTER OF THE UNITED NATIONS

[Mr. FULBRIGHT asked and obtained leave to have printed in the RECORD a statement entitled "The Churches and the Charter of the United Nations," adopted by the Executive Committee of the Federal Council of the Churches of Christ in America on June 26, 1945, which appears in the Appendix.]

MEMO FOR A SPEECH—ARTICLE BY MALVINA LINDSAY

[Mr. FULBRIGHT asked and obtained leave to have printed in the RECORD an article entitled "Memo for a Speech," by Malvina Lindsay, published in the Washington Post of July 3, 1945, which appears in the Appendix.]

OWNERSHIP OF FOREST LANDS—EDITORIAL BY W. F. McCULLOCH

[Mr. MORSE asked and obtained leave to have printed in the RECORD an editorial entitled "The Ownership of Forest Lands," written by W. F. McCulloch and published in the Timberman, of Portland, Oreg., which appears in the Appendix.]

ONE FLAG—POEM BY MRS. MAE URBANEK

[Mr. O'MAHONEY asked and obtained leave to have printed in the RECORD a poem entitled "One Flag," written by Mrs. Mae Urbaneck, of Lusk, Wyo., which appears in the Appendix.]

TERMS OF SURRENDER FOR THE JAPANESE

Mr. BROOKS. Mr. President, there has been, and is, a growing feeling that some action might be taken by the United States Government to hasten the successful conclusion of the war against Japan in a manner that would save countless lives and treasure.

I am in receipt today of a letter from the president, vice president, and secretary of Wheaton College, located at Wheaton, Ill., who express their views as outlined in the letter. I ask unanimous consent to have this letter printed in the RECORD at this point as a part of my remarks.

There being no objection, the letter was ordered to be printed in the RECORD as follows:

Hon. C. WAYLAND BROOKS,
United States Senate,
Washington, D. C.

DEAR SENATOR BROOKS: May I volunteer to you the fact that under the circumstances I agree with Commissioner Vanderhoof on the Charter of United Nations.

But to me a more urgent matter just now should not be delayed. I read a credible report that Japan has asked for terms of peace. The power to declare war implies in Congress the power to declare specifications of peace.

Patriotism in an American says, "Fight till the last armed foe expires." But unconditional surrender may mean extermination. To the Nazi it seemed to mean torture, as you saw the evidence. To an American a Japanese child born on American soil is an American citizen by the Constitution with all the rights of a white child.

Now the Japs have reached the stage of suicide. We should save the untold millions yet involved by stating specific terms of peace, for instance:

1. Cease fighting forthwith.
2. Surrender all military equipment.

3. Resign title to all property except in Japan.

4. Convert all military enterprise to objects of peace.

5. Grant free inspection of all industry.

6. Within 3 months vacate all invaded territory.

7. Adopt as a principle of justice and education Galatians 5: 14.

8. Hold the Mikado responsible for getting these done.

Such a response is rational and in keeping with the United Nations Conference.

Enthusiastically yours,

V. RAYMOND EDMAN,
President.

ENOCH C. DYONESS,
Vice President.

DARIEN A. STRAW,
Secretary, Wheaton College.

FAIR EMPLOYMENT PRACTICE COMMITTEE

Mr. BILBO. Mr. President, yesterday I received a letter from West Hartford, Conn., and it is so interesting that I called the writer of the letter over the long distance and obtained his permission to read it to the Senate. I invite the attention of my colleagues to the reading of this letter, and I ask those who are not here to listen to my reading of it to read it in the CONGRESSIONAL RECORD. The letter is dated July 2, 1945, and is as follows:

DEAR SENATOR BILBO: During your remarks on the FEPC bill, this writer notes that you include the remarks of many good people of the South; as a matter of fact, one is inclined to think that only the people of the South are against this despicable measure.

This gentleman is the editor of the Metropolitan News of West Hartford, Conn.

Let me say to you, sir, we here in the North are just as much against this communistic measure as you are. Hell, we can't all move to Mississippi.

Your truth that the northerners are unaware to a great degree regarding this vicious measure is sadly true. Don't forget, the bulk of our business comes from proponents of this sort of legislation. Being in the newspaper business, I know that the truth about this dirty measure hasn't been given much space.

Here in Connecticut this measure came up, and the pressure was terrific; it was defeated by the legislature, the lower house being composed of he-men from back in our hills and small towns. These members are practically as independent as any southerner when it comes to defending our sacred right to think old-fashioned Americanism is a bit of all right.

It would be a great American tragedy if this sort of legislation persists. We would be selling out the rights of our sons now fighting if we let this thing continue to fester.

Real Christian Americans are just as numerous in the North as they are in the South; the only difference is that we can't seem to elect representatives with as much gumption. It seems that the Johnny-come-latelys out of Europe outnumber us at the polls. If a man speaks without a broken accent, he hasn't much of a chance in city politics.

You are doing a grand job for America. The white Christians of the North are looking toward you and your friends to save this great country. Our sons deserve this protection, and millions up here are ready to join you. If this measure came to a

vote, it would be defeated by the greatest majority ever recorded.

With all best wishes,

THOMAS B. DAWSON.

To show how far this alien element in the larger cities of the North and East are going in their efforts to impose upon the American people this monstrosity of FEPC, I will read from a copy of the PM dated July 5, 1945. The headline is as follows:

RALLY CALLED TO FIGHT BILBO

A To Hell With Bilbo mass meeting was called for the impeachment of Senator THEODORE G. BILBO, Democrat, Mississippi, on the grounds of his vilification of Negroes, Jews, and Catholics during his filibuster last week against the Fair Employment Practice Committee will be held at 3 p. m. Sunday at the Abyssinian Baptist Church, 132 West One Hundred and Thirty-eighth Street.

The idea of that kind of a mass meeting, Mr. President, being held at a Baptist Church—the church of which I am a member.

The rally was announced by Representative ADAM CLAYTON POWELL, Jr., Democrat, New York, pastor of the church and chairman of the people's committee. A group of civic nonpartisan organizations is sponsoring the meeting.

In addition to POWELL, speakers will include Henry Epstein, former State solicitor general—

A New York Jew—

Michael J. Quill, and Benjamin Davis, Jr.—

A Negro—

members of the city council, and Mrs. Angelina Blocker, Harlem civic leader—

Another Negro—

Josh White will sing.

I do not know what he is.

I read this item from PM to answer one statement. A mass meeting is being called to demand my impeachment. The slogan of the mass meeting is "To hell with BILBO," because it is alleged that I vilified Negroes, Jews, and Catholics. I call upon the country and upon my colleagues to read my 2-day speech of last week, and I defy anyone to find in it any denouncement of Jews as Jews, Catholics as Catholics or Negroes as Negroes.

Yesterday I received a letter from a professor in one of the leading colleges of Connecticut, in which he said that he had read the PM account of my 2-day speech, and he thought it was pretty bad. "But," he said, "I got the CONGRESSIONAL RECORD and read your speech alongside the report of PM, and I found that PM had lied in every statement it made about your speech."

That is the trouble. Many persons have been led to believe that I have denounced Catholics, Jews, and Negroes. I have not done anything of the kind. Others may do it, but I do not denounce them as a class, or as races. God knows, I am not that narrow or bigoted. I said in my speech last week that some of the best friends I have in the world are members of the Catholic Church. Nearly all the Catholics vote for me in Mississippi. I campaigned in seven States for Al Smith, in the face of the Protestant wave against him because he was a Catholic. I have never denounced the Negroes as

a race. I have discussed the characteristics of the race. My remarks last week were directed to some particular Negroes—for example, A. Philip Randolph, who threatened to bring 200,000 Negroes into Washington, and in that way persuaded the President to issue the original Executive order which created the damnable FEPC. I was talking about individuals. I sometimes discuss white men. I sometimes give a white man hell, but I am not talking about the white race. I belong to that race.

I have said something about certain Catholic priests who were busy trying to organize the Negroes in their churches for their own selfish interests. That is not denouncing the Catholic Church or its members or priests. The best friend I have in the world is a Catholic priest who lives in Mississippi. In my speech I stated that every year I send him a birthday present. PM stated that the Catholic priest sent me a present every year. It could not tell the truth to save its life. That newspaper was never intended to tell the truth.

So far as the Jews are concerned, we have Jews in my State, and some of my best friends are Jews. I am a great admirer of the Jewish race. Jesus Christ was a Jew. Some of my associates are Jews. But there is a certain class of "kike" Jews in New York, organized with the CIO and the Negroes in a drive to cram this piece of legislation down the throats of the American people. That is the point about it. That is the class to which I refer. What I am talking about is their perniciousness and officiousness in trying to drive through this kind of fanatical legislation. There were 40 or 50 of them down here from New York yesterday. To show that there is a dead cat on the line and a "nigger in the woodpile," while they were down here trying to get the Congress to pass this law, which would affect 48 States in the Union, New York had enacted a strong FEPC law. It went into effect July 1. If New York wants such a law, let the people of New York have it. If they like it, let them keep it. That is no concern of mine. But they have no right to try to cram it down the throats of the people of my State, or any other State.

As the American people become informed about the viciousness of this damnable law, the tide is rising against it. An attempt was made to cram it through the Illinois Legislature the other day. The Illinois Legislature killed it. The proponents of such legislation tried to put it through the legislature of Massachusetts, and the legislature of Massachusetts killed it. The same thing happened in Connecticut.

If Senators have any fear that Governor Dewey, of New York may run for President in 1948, they can forget it, because Dewey is dead politically. In 90 days, when the people of New York find out what he has put over on them in the form of the FEPC law, he will not be able to muster a corporal's guard to vote for him for President.

This is not a southern issue. This is a national issue. The record shows that 75 percent of the complaints filed with the so-called FEPC come from the North and East, and not from the

South. So perhaps this sort of a law may be needed in New York; I do not know. It may be needed in New Jersey; I do not know. That is the business of the people of those States. I am only fighting for the American way of life; and I am representing on the floor of the Senate the wishes of more than 100,000,000 American citizens. If I see fit to filibuster until Christmas, I shall be fighting for the majority of the American people, because this legislation is being sponsored and urged through the Congress by a little handful—

The PRESIDENT pro tempore. The Senator will suspend. This is the morning hour.

Mr. BILBO. Let me finish one sentence.

The PRESIDENT pro tempore. Just a moment. The Chair admonishes not only the Senator from Mississippi, but other Senators who speak during the morning hour, that it is against the rules of the Senate, and those rules are going to be enforced. The Chair hopes the Senator will postpone his remarks.

Mr. BILBO. I most humbly beg the Chair's pardon. I thought the morning hour had been concluded. I heard my old friend from Wisconsin [Mr. WILEY] speaking.

Let me say this, and I will conclude: There are only about 13,000,000 Negroes in the United States, and 5,000,000 Jews. That makes a total of 18,000,000. There are 138,000,000 people in the United States, and 18,000,000 of them are trying to cram this damnable thing down the throats of 120,000,000 American people. I am speaking for 120,000,000 Americans.

The PRESIDENT pro tempore. Morning business is concluded.

FEDERAL AID FOR CONSTRUCTION, ETC., OF PUBLIC AIRPORTS

Mr. McCARRAN. Mr. President, I move that the Senate proceed to the consideration of Senate bill 2. I wish to state in furtherance of the motion that I intend to have the bill made the unfinished business, but not to be considered today, because of the absence of the Senator from Massachusetts [Mr. SALTONSTALL].

The PRESIDENT pro tempore. The bill will be stated by title for the information of the Senate.

The CHIEF CLERK. A bill (S. 2) to provide for Federal aid for the development, construction, improvement, and repair of public airports in the United States, and for other purposes.

Mr. WHITE. Mr. President, I hope the Senator from Nevada will not press his motion at this time. I think he must have clearly in mind that at the close of the week immediately following the 4th of July many Senators who are interested in this legislation are absent.

I feel that a motion of this character with respect to legislation so important as this is should not be pressed at this time. I appeal to the Senator not to press such a motion.

Mr. McCARRAN. Mr. President, let me say to the Senator that I tried to make it clear that I wish to have the bill made the unfinished business, to be taken up on Monday. That is my object. I suppose Senators who are absent and who wish to return will have returned

by that time. But this measure is an exceedingly important piece of legislation. Over a month and a half ago, when I had the bill before the Senate, at the request of the Senator from Ohio I had action on it go over, notwithstanding the fact of its importance. Now it has gone over and gone over. I am not pressing for action on it today. I only wish to have it made the unfinished business, so that it may be taken up on Monday.

Mr. WHITE. Mr. President, that does not reach my objection. Of course, if the bill is now made the unfinished business, to be taken up on Monday, that is a matter of great concern to many Senators.

Mr. McCARRAN. That will get the Senators back, perhaps, if it is of great concern, and I think they should be back.

Mr. JOHNSON of Colorado. Mr. President, will the Senator yield to me?

Mr. McCARRAN. I will yield to the Senator in a moment. I am now yielding to the Senator from Maine. When he has concluded I will yield to the Senator from Colorado.

Mr. WHITE. Mr. President, I have said all I care to say at this moment. I do not feel that my appeal has been very productive of results.

Mr. McCARRAN. I am not saying that it has not been productive of results. I wish to conform to the request if I can do so, but I wish to have the bill considered next week.

Mr. WHITE. I think it would be a courtesy, to which absent Senators are entitled, to have notice given that the Senator intends at a later time to make such a motion, rather than to make the motion now.

Mr. McCARRAN. Well, may we have an agreement as to when the bill may be taken up?

Mr. HATCH. Mr. President, will the Senator yield to me?

Mr. McCARRAN. I yield.

Mr. HATCH. I have no objection to taking up the bill at any time except, of course, I do not wish it discussed today.

It is my understanding, Mr. President—and I think that is what the Senator from Maine has been referring to—that nearly all the Senators who now are away left the city over the week end with the understanding that nothing but routine matters would be taken up. On the basis of that understanding, some Senators might even wish to resist the motion.

Is that the position of the Senator from Maine?

Mr. WHITE. I think that is perfectly true. I think there are Senators who may have amendments in which they are interested; and, as the Senator from New Mexico has said, it was very definitely understood that we were to be at ease this week and that no business of importance would be transacted. I think the proposal to make this measure the unfinished business, involving as it does all sections of the country and involving an expenditure of \$500,000,000 of Federal money and a like expenditure by the States of the Union, is of very great importance. I simply cannot help regard it as of importance.

Mr. McCARRAN. Mr. President, let me say to the Senator from Maine, in

keeping with his expression that we were to be at ease, that we could not be more at ease than to be at ease on Senate bill No. 2, because it is a most important bill.

Mr. HATCH. Mr. President, will the Senator yield to me again for a moment?

Mr. JOHNSON of Colorado. Mr. President, will the Senator yield to me?

Mr. McCARRAN. I yield first to the Senator from New Mexico.

Mr. HATCH. I was about to propose a unanimous-consent agreement, to which I think perhaps the Senator from Nevada will be agreeable. It simply is that the Senate now give its consent that on Monday the Senator from Nevada will be recognized when the Senate convenes, for the purpose of making his motion to take up the bill at that time.

Mr. WHITE. Mr. President, that is a matter within the jurisdiction of the Chair. I, myself, have no objection to such an understanding.

Mr. JOHNSON of Colorado. Mr. President, reserving the right to object, let me say that I have no objection to the consideration of Senate bill No. 2, and perhaps I shall vote for it—I do not know—when I hear it discussed. At least, my mind is open at the present time. There may be amendments which I shall be very anxious to have adopted. But the situation, as I understand it, is that certain members of the Committee on Interstate Commerce, including the Senator from Arizona [Mr. McFARLAND], the Senator from South Carolina [Mr. JOHNSTON], and perhaps the chairman of the committee, the Senator from Montana [Mr. WHEELER]—I do not know—are desirous of making a motion to have the bill referred to the Committee on Interstate Commerce for further study and deliberation before action is taken on it by the Senate. I do not wish anything to happen today that will interfere with their right so to move, if they wish to do so. I am not speaking for them, because I am not authorized to speak for them; but I happen to know that that was their intention when the bill was before the Senate some weeks ago.

The PRESIDENT pro tempore. The Chair will state to the Senator from Colorado that a motion to refer or change the reference of a bill is in order at any time.

Mr. HATCH. Mr. President, will the Senator from Nevada further yield to me?

Mr. McCARRAN. I yield.

Mr. HATCH. I was about to observe, Mr. President, that the agreement which I have proposed would amply protect every Senator who is away from the city and is not expecting to have important business come up in the Senate during his absence. The agreement would also protect any Senator who wishes to make a motion relative to reference of the measure. If the Senator from Nevada has no objection, I should like to have that agreement made.

Mr. McCARRAN. Mr. President, let me say first that if in connection with important legislation of this kind we are to defer every time a Senator is absent, and then defer again when some other Senator is absent, and so on and so forth, as we have done with this proposed legislation, we shall never reach

its consideration. I am perfectly willing to have this matter go over, so long as it may be understood that I shall move to make the bill the unfinished business and move its consideration on Monday next.

Mr. WHITE. Mr. President, so far as I am concerned—and I can speak only for myself—I will interpose no objection to a motion of that character on Monday.

Mr. McCARRAN. That will be all right; I have no desire to force it at this time.

Mr. BREWSTER. Mr. President, will the Senator yield?

Mr. McCARRAN. I yield.

Mr. BREWSTER. I may say in respect to what was said by the Senator from Colorado [Mr. JOHNSON] that an amendment dealing with the position of the States in connection with that situation, following out the recommendations of the governors' conference recently held at Mackinac, Mich., has been put on the desk and will be printed this afternoon; so it will be available tomorrow morning. The amendment is designed to coordinate the State and city activities in connection with airport construction. Whether that meets the views of some of the Senators, I do not pretend to say; but I know it is a matter in which they have expressed interest.

Mr. JOHNSON of Colorado. Mr. President, if the Senator from Nevada will further yield to me, I should like to say that I am not speaking for the members of the Committee on Interstate Commerce, but I understand there is some sort of a jurisdictional dispute as to whether the Interstate Commerce Committee or the Commerce Committee should handle this bill, or whether both of them should do so.

Mr. McCARRAN. Mr. President, in my judgment the Senator from Colorado is in error. This bill was not the subject of controversy as regards jurisdiction. One or two other bills—different bills—are the subject of such controversy, and that has been pending on the floor of the Senate for months. But it does not involve this bill. I think we have decided the matter, namely, that on Monday I shall move for the consideration of Senate bill No. 2.

Mr. WHERRY. Mr. President, I should like to ask the distinguished senior Senator from Nevada a question, if he will yield to me.

Mr. McCARRAN. I yield.

Mr. WHERRY. I wish to be sure that I understand the procedure proposed relative to the Senate bill; I wish to obtain accurate information. Does the Senator mean that on Monday he will have the Senate consider the motion to make the bill the unfinished business, or does the Senator expect to have immediate consideration of the bill on Monday?

Mr. McCARRAN. I should like very much to have immediate consideration of the bill on Monday, and my motion will be that the Senate proceed to the consideration of Senate bill No. 2.

Mr. WHERRY. On Monday?

Mr. McCARRAN. Yes; on Monday. It may be that it will go over until the next day.

Mr. WHERRY. I understand that.

Mr. McCARRAN. But I should like to have it made the unfinished business.

Mr. WHERRY. Mr. President, if the Senator will yield further, I should like to say that today is Friday; and the acting majority leader the distinguished Senator from New Mexico [Mr. HATCH], and the minority leader the distinguished senior Senator from Maine [Mr. WHITE], will recall that it was very definitely stated on the floor of the Senate at the end of last week that no important business would be taken up during the week end.

Mr. McCARRAN. Monday is not a week end.

Mr. WHERRY. I understand that, but various Senators will not return until Monday morning, and the motion would be to take up the measure for immediate consideration. I simply wish to be sure that we understand ourselves.

Mr. McCARRAN. That is right.

Mr. WHERRY. Because if that is what the Senator wishes, it does not seem to me that it would help very much the Senators who now are absent.

I should like to say that I agree with the Senator from Nevada that we should be able to do business any day in the week in the Senate of the United States, and I have never held up any Senator on that point. But in view of the fact that a number of Senators are absent, and in view of the importance of the pending legislation, I think Senators should know now that on Monday the Senator from Nevada will proceed to move to make the bill the unfinished business, and to have it taken up if he can.

Mr. McCARRAN. That is right, and I give that notice now.

ADDITIONAL REPORT OF SPECIAL COMMITTEE TO INVESTIGATE THE NATIONAL DEFENSE PROGRAM ON INVESTIGATION OVERSEAS (PART II OF REPORT NO. 110)

Mr. KILGORE. Mr. President, I should like to have the opportunity of making what few remarks I have to make without being interrupted except in connection with the subject matter of my report.

On May 17 last, a subcommittee of the Special Committee to Investigate the National Defense Program departed for Europe. Its purpose was to hold hearings, and to inspect facilities and supplies in the European and Mediterranean theaters of operation.

Previously here at home, the committee had traced the production of war supplies from the raw-material stage through the facilities, the production line and the pipe line, up to the depots and ports of embarkation in the United States. During combat operations, the committee did not desire to proceed beyond the ports of embarkation into any active theater of warfare. But in the course of its domestic investigations the committee found many important matters which could not be resolved without obtaining material which we were informed was available only in the theaters of operations. Most important of these matters was the question of the amount, the condition, and the distribution of supplies held by the theater commanders. This information obviously is most vital

to any analysis of the operations of the supply pipe line and to any study of surpluses.

To investigate this and other problems overseas, a subcommittee was constituted. I was honored with the chairmanship of this subcommittee. The other members were my able colleagues, the Senator from Delaware [Mr. TUNNELL] the Senator from Washington [Mr. MITCHELL] the Senator from Maine [Mr. BREWSTER], the Senator from Minnesota [Mr. BALL], and the Senator from Michigan [Mr. FERGUSON].

We received written instructions from the Senator from New York [Mr. MEAD] the chairman of the main committee, in a letter of May 11 addressed to me. That letter instructed the subcommittee to look into the following matters:

First. The nature and amount of American supplies which have been shipped overseas to the European theater of operations.

Second. The nature and cost of installations either erected by the United States or at the expense of the United States in the European theater of operations. In this connection the subcommittee should ascertain in each case the provisions with respect to the use and disposition of these facilities after the cessation of hostilities.

Third. The plans for the deployment of material now in the European theater of operations to the Pacific theater, and for occupation of conquered countries.

Fourth. The plans for disposition of all matériel which will become surplus.

Fifth. Transportation, shipping loading and unloading of American supplies in the European theater of operations.

Sixth. Activities of civilian agencies, and particularly any confusion of function therein.

Seventh. Arrangements for the distribution of American supplies among civilian populations and plans for rehabilitation and reconstruction.

Before departing our subcommittee sought to educate itself for the task. We held hearings with the War Department, the Navy Department, the State Department, the Foreign Economic Administration, the Army-Navy Liquidation Commission, the UNRRA, and with Judge Samuel I. Rosenman, who had just completed a study of civilian conditions overseas. We accumulated all of the pertinent literature and material relating to the matters we sought to investigate.

We agreed before departing to devote ourselves exclusively to the task in hand. We informed the War Department, which arranged the trip, that we did not want any formal entertainment abroad. We agreed not to announce any individual conclusions, but to wait until we had completed our entire task and conferred with the full committee at home, at which time we would report our unanimous conclusions to the Senate. In this way we were able to devote our energies entirely to the business at hand and to proceed with our investigations in the same orderly fashion which we have always attempted to follow both at home and overseas. In this way we were able, within the period of 3½ weeks to which we limited our trip, to obtain, within

reasonable limits, all the information pertinent to our inquiry.

Before departing we arranged to divide into three subcommittees after our arrival in Europe, so as to cover the largest number of installations, and to question the largest number of witnesses within the time available to us. In this way we, in effect, accomplished as much as one committee could have accomplished in a period three times as long. For this purpose we took with us three of our counsel so that each subcommittee would have the benefit of a trained and experienced investigator to assist it in its work. I should like to give the Senate their names. They are Rudolph Halley, the committee's chief counsel; George Meader, executive assistant to the chief counsel of the committee; and Francis D. Flanagan, the committee's chief investigator. Each subcommittee was accompanied by an experienced court reporter in order to assure ourselves of a proper record.

We proceeded to Paris by way of Bermuda and the Azores, stopping at each of those islands for the purpose of holding a hearing concerning American facilities located there. The entire subcommittee held hearings in Paris and at Rheims. In Paris we heard the chiefs of supply for the entire European theater of operations, receiving from them a fine measure of cooperation. They were prepared with and gave us full and carefully prepared statistics on many matters concerning which the subcommittee desired information, and on which no information was available in the United States. On other matters, they agreed to assemble the information and forward it to the committee in Washington. We also heard from each of the civilian agencies in Paris, including the State Department, the Treasury Department, the Foreign Economic Administration, the War Shipping Administration, the Office of War Information, the Office of Strategic Services, UNRRA, and the American Red Cross. Then we divided into subcommittees.

Group I of the subcommittee, consisting of the Senator from Maine [Mr. BREWSTER] and myself, held hearings at Cherbourg, LeHarve, Paris, St. Germain, Frankfurt, Mannheim, Augsburg, Burtonwood, America's great air supply depot in England, and then proceeded to London.

Group II, including the Senator from Delaware [Mr. TUNNELL] and the Senator from Michigan [Mr. FERGUSON] held hearings at Marseille, Nice, Dijon, Nancy, France; Munich, Dachau, Munchengladbach, Cologne, Germany; Hull, England; Prestwick, Glasgow, Scotland.

Group III, including the Senator from Washington [Mr. MITCHELL] and the Senator from Minnesota [Mr. BALL] held hearings at Antwerp, Liege, Belgium; Brunswick, Germany; and Bristol, England.

The full subcommittee reunited in London and held hearings with the State Department, Foreign Economic Administration, the War Shipping Administration, the Office of War Information, the Office of Strategic Services, the War Department, the Navy Department, and UNRRA.

During a part of this period the Senator from Washington [Mr. MITCHELL] and the Senator from Michigan [Mr. FERGUSON] flew to Norway, Sweden, and Denmark for the purpose of checking civilian supply requirements and our economic operations in these countries. The entire subcommittee then proceeded to Italy where hearings were held in Florence with the Army, in Rome with the civilian agencies, and in Casserta with the Army again.

We returned home through North Africa, the Azores, and Newfoundland, arriving in the United States on June 9. A few weeks later we again held hearings in Washington with the various agencies involved in the matters pertaining to our investigations.

In a period of a little more than a month both at home and abroad we were thus able to hold a total of about 40 hearings, to hear more than 300 witnesses, and to take more than 2,500 pages of testimony. We conferred with such persons as General Eisenhower, Ambassador Winant, Ambassador Caffery, Ambassador Kirk, and Myron G. Taylor. We questioned General Lee, Chief of Supply, and his entire staff. We questioned General Spaatz and General Knerr, of the Air Corps and the heads of their entire technical supply staff. We questioned the supply officers wherever we went. We even took testimony from the newly appointed burgomeister of Augsburg, Germany.

Mr. BREWSTER. Mr. President, will the Senator yield?

Mr. KILGORE. I yield.

Mr. BREWSTER. While it may seem somewhat outside of the scope of our report, since it deals with the administrative problems in Germany, I think it would be of interest to the Senate to know that the burgomeister to whom the Senator from West Virginia has just referred, and with whom we spent a most interesting evening, had been a civil servant in the German Government during the past 25 years, including 10 years under the Hitler regime. During the recent period he had been commissioner in charge of finance and of the police in Augsburg, a city of, I believe, approximately 300,000 people. It developed in his testimony before us that 145 out of the 160 local police now functioning were formerly, as he termed them, state police. When I asked him who was the chief of the state police, he testified it was Heinrich Himmler. I would not express a conclusion for the committee, but it appeared that the distinguished chairman of the subcommittee himself, and some of the others of us were at least startled to discover that 145 out of 160 local police, who were at present enforcing order there in Augsburg, had been policemen under the discredited Nazi regime. It might well be difficult for citizens of Augsburg to understand how very much change had been brought about under American administration with the same old cops walking the beat, enforcing order.

Mr. KILGORE. I thank the Senator from Maine. I may say further along the same line that it was interesting to note that the German cities seemed helpless without those civil servants. They

seemed unable to get any one but the civil servants to hold jobs, and practically all the men of civil service classification had served during the entire Nazi regime. Even the civil servants themselves seemed willing to lean back and desire us to assume the burden of taking care of them. The Senator from Maine will remember that on the question of coal the burgomeister folded his hands and his arms and said in effect, "Well, it is up to them to ascertain how much coal I shall need, and how much I shall receive." That seemed to me very much the attitude of the German officials toward us.

Mr. BREWSTER. Mr. President, will the Senator yield further?

Mr. KILGORE. I yield.

Mr. BREWSTER. In the matter of currency fluctuation we asked the burgomeister how the city of Augsburg paid its bills and he testified that the army of occupation printed the currency in German marks and sent it to them to take care of the city's expenses. How this currency would be redeemed was apparently a matter for someone else to worry about.

Mr. KILGORE. Yes; the situation as to currency is rather confusing. There seems to be no limit. It goes around in trade like cigarette coupons, with no apparent effort made to see how eventually it may be redeemed. Apparently civil servants and the banks are assuring that our attitude following this war will be the same as that after the last war, and we will take care of the problem of stabilization. They are willing to go ahead and let us do anything we want, but they feel in the back of their minds that there will be an accounting eventually, and they will be repaid when America has had time to forget the conditions of this war.

In addition to the major task of completing our information on the supply pipe-line system, we cleared up many vital points concerning which we had carefully inquired back at home without obtaining satisfactory answers. All too frequently we were told that the only information was abroad, and it had not as yet filtered back to the United States. We were able to get information on the jet plane, on the alleged artillery ammunition shortages, on the aerial bomb question, and on the Army's transportation problems in France. We obtained information which had been theretofore unavailable.

These matters are all covered in the report which the subcommittee has submitted to the full committee and which I shall a little later ask unanimous consent to file with the Senate. In the report we drew these major conclusions:

Conclusion No. 1: The supplying of our armed forces in Europe has been a remarkable achievement involving the delivery across the ocean and over beaches and through demolished ports, and then over a war-torn countryside into France and Germany of tonnages far in excess of anything previously within the conception of man.

It was very impressive to note that in the only two ports we had—and we only had one of those for a short time—the tides rose 24 feet. For ships not lying in open roadsteads unloading was a ter-

rific task. It was hard to appreciate that unless you saw the water level rising 24 feet every working day.

Conclusion No. 2: This supply function could be improved by increasing the sensitivity of the mechanisms designed to reflect in the procurement system changes of requirements on the fighting fronts, without, however, any abdication by the procurement authorities of the exercise of their judgment in the light of over-all procurement problems. One result of the lack of sensitivity was an accumulation in the European theater of 110,000 tons of two types of aerial bombs which were delivered to the theater, although the Air Corps in the theater testified that they had no use for one type and a very limited use for the other.

I may say in passing that those deliveries were made over a period of some 9 months in the face of constantly diminishing usage in that theater even down to as low as a usage of less than 100 tons a month.

Conclusion No. 3: The program for redeployment of materials to the Pacific theater is proceeding well, providing that plans now formulated are properly executed.

In other words, the plans are excellent, the start is fine, and, if the plans are properly executed, redeployment will be well carried out.

Conclusion No. 4: The disposition of surpluses abroad requires further intensive study. As it is now proceeding, it is apt to result in the disposal of these surpluses without proper assurances that the highest return is being obtained or that the most important needs are being filled. Disposal of surpluses abroad should be entirely in the hands of a single agency which in turn should operate under the direct control of the Surplus Property Board. In this way, policy at home and abroad will be coordinated. It will also eliminate the present situation in which American surplus property is disposed of by a multiplicity of agencies.

That is getting into a mess now, and will be in a far worse mess if allowed to continue.

Conclusion No. 5: American rights to fixed installations which we have erected abroad have not been clearly defined. It is essential that immediate and careful study be given to the future disposition of installations which we have erected abroad.

Almost universally the agency that took over the installation or erected it in getting their lease or deed, or whatever papers they got to operate under, looked only to their personal needs without seeing the needs of other agencies.

Conclusion No. 6: Large quantities of captured goods and munitions have not yet been inventoried. There is as yet no plan for the disposal of this material, nor is there any coordination between our plans and those of our allies. This condition should be remedied immediately.

It must be realized that there is an agreement to the effect that captured material may be pooled and disposed of under a uniform agreement.

Conclusion No. 7: As a result of the impending evacuation of our troops in France and their occupation of Germany, the Army has shown a disposition to have no further interest in the French economy, while it finds it necessary to strengthen the German transportation and industrial system in order to assure itself of proper supply in Germany. While this is a natural attitude on the part of the armed forces, it must be counteracted

if we are to avoid a situation where our enemies fare better at our hands than our friends.

Conclusion No. 8: The division of Germany into four zones of occupation has resulted up to this time in vesting the control of what has been a closely integrated nation into four wholly uncoordinated elements. With respect to at least one part of Germany, that held by the Russians, our armies were completely uninformed. It is absolutely necessary that the policies with respect to the four occupational zones be coordinated by some joint action and that there be a free exchange of information with respect to the policies and actions of each of the occupying forces.

Conclusion No. 9: Itemized invoices of services and materials supplied under reverse lend-lease have not been furnished. Consequently, no reliable accounts of lend-lease and reverse lend-lease transactions are available. Some progress has been made, particularly by the Navy, in securing itemized invoices; however, immediate attention must be given to the clarification of lend-lease accounting if a clear, factual basis for the settlement of lend-lease accounts is to be achieved.

Conclusion No. 10: Artificially fixed rates of foreign exchange applicable to American nationals in Europe have resulted in these persons, of whom the vast majority are members of our armed forces, taking a serious financial loss on their purchases abroad. They impose upon the American soldiers a burden which they should not be asked to assume. The alleged purpose of these exchange regulations, which is to prevent a flood of American money from breaking markets abroad, could be achieved in other and fairer ways. These rates create serious problems in the settlement of lend-lease accounts and in the disposal of surpluses abroad. A great deal of currency issued by the Axis and Axis-dominated governments was in the hands of collaborators who had produced war materials for our enemies. Adequate measures to isolate such war profits and impound them have not been taken. Each passing day since the invasion renders the impounding of such funds more difficult.

Mr. McMAHON. Mr. President—
The PRESIDING OFFICER (Mr. TAYLOR in the chair). Does the Senator from West Virginia yield to the Senator from Connecticut?

Mr. KILGORE. I yield.

Mr. McMAHON. Will the Senator tell me who set the rate of exchange for our troops in France?

Mr. KILGORE. It was set by agreement, arranged by the State Department, with the advice of Treasury officials. Let me go further and explain that to the Senator. The franc rate was artificially fixed at 2 cents by an agreement with France. The French stated they desired to stabilize it at that rate, 2 cents for a franc, or 50 francs to a dollar.

Mr. McMAHON. Was there not a rate of 75 to the dollar in North Africa, and did they not reduce it to a rate of 50 to the dollar?

Mr. KILGORE. Yes; it was 75 in north Africa and was reduced to 50, and is now 50 in north Africa.

The trouble with the exchange rate is that the French Government makes no effort to handle the black market in money. As a result, we pay 2 cents apiece for the franc, whereas on the curbstone, on the street, the newsboys, the bootblacks, the porters, or anybody else who is acting as agent, may go as

high as 150 to the dollar. The prices of commodities in France are based on the black-market value of the franc rather than the fixed value.

On the other hand, England agreed with us on a value of \$4.03½ to the pound, and in England, in any part of their territory our forces may be located, they hold to that value, and they refuse to permit black marketing, they refuse to permit bidding on the pound in American dollars. Although a pound at one time when we were abroad was down to \$3.60 in the United States, they held it up by saying one could not bring more than 25 pounds into England, and one gentleman who went over there with some hundred-pound notes had trouble about it.

Mr. McMAHON. It results in the American soldier being the only one who is stuck in this situation?

Mr. KILGORE. The American soldier and the American civilian on business over there are stuck with that rate of exchange. The same condition exists in Italy, where the value of the lira is fixed at 1 cent by this artificial agreement.

The trouble is that the agreement, as originally entered into, was started in good faith by us, but the other governments have not been strong enough to hold their nationals to the agreement.

Mr. BREWSTER. Mr. President, will the Senator yield?

Mr. KILGORE. I yield.

Mr. BREWSTER. I appreciate the suggestion of the Senator from Connecticut. It works out very adversely. We send a couple of million of our boys over there on a certain rate of pay. They have to live in that country. That is the only place where they can spend the money they have. They are absolutely forbidden having an American dollar in their pockets. They will be court martialed if they are found with an American dollar in their pockets. Yet their pay in French francs will not buy in France more than one-third of what it would buy in this country. The result is that the American soldier is seriously prejudiced. Our own American Ambassador appeared before us and testified that it was possible to buy freely French francs anywhere in Paris at 130 to 150 for a dollar, while our boys could get only 50, and are paid at the rate of 50 francs to the dollar.

Mr. McMAHON. Mr. President, will the Senator yield further?

Mr. KILGORE. I yield.

Mr. McMAHON. I think that is an outrageous situation, and that something should be done about it. I am not clear in my own mind as to what can be done, but I hope the Senator from West Virginia will proceed to try to do something to remedy the situation, through legislation, if necessary.

Mr. KILGORE. Mr. President, the War Investigating Committee agrees with the Senator, unanimously, that something has to be done at once. What it amounts to is cutting the soldier's pay abroad for the benefit of the other nations. It would be bad enough to cut his pay if we took the money, but we do not take the money; they take the money.

Mr. McMAHON. I certainly do not think it is up to the American soldier to stabilize the French national economy.

Mr. KILGORE. I agree with the Senator.

Mr. McMAHON. That is a very poor reward for what he has been through.

Mr. KILGORE. Let me say a further word as to that. In its inception it was done to prevent gambling in the franc, and had France lived up to its obligations, we would have had no trouble. Had she held the franc at 2 cents, and not permitted the black market, it would have been all right. The same applies to Italy and the lira. We have to change the francs back into American money when the troops return, but we do not know the value, and the result will be gambling in the black market if we do not watch out.

Mr. BREWSTER. Will the Senator yield further?

Mr. KILGORE. I yield.

Mr. BREWSTER. The matter has far more serious repercussions than the simple injustice to the American soldier overseas, who is deprived of home and family and everything else he loves, and, in addition, is put on a pay rate of one-third of what he was supposed to get. Instead of getting more, he gets much less. The American soldiers do not understand this, and they attribute it all to France, justly or otherwise. The result is that they are prejudiced unfortunately against the French and this is not good for our future relations.

Recognizing this problem, there was a proposal that a few restaurants were to be opened in Paris under Army auspices, where the American soldier could buy, if he were on leave, at a fair rate. It is certainly a most unhappy situation for one who wants perhaps to buy a little reminder of the country to send home, and is entirely dependent on these depreciated francs in order to make any purchases outside the post exchange.

Mr. KILGORE. It is most unfair, and offers an opportunity to speculators to make huge profits.

Mr. MEAD. Mr. President, will the Senator from West Virginia yield?

Mr. KILGORE. I yield.

Mr. MEAD. First I wish to commend my able colleague for the splendid report he is submitting to the Senate on his own behalf, and on behalf of his colleagues.

In connection with the matter which is now being discussed, I wonder if the Senator would tell us if either as a result of his committee's activities, or of the hearings they held with the Army officials after they returned, the Army is taking any steps to compensate our boys in any way for this unevenness in the currency the Senator has so well presented to the Senate.

Mr. KILGORE. I must say in fairness to the Army that they are arranging to purchase souvenirs, Belgian lace, gifts of all kinds, and sell them to the soldier at the post exchange, or to the sailor at the ship's stores at a fair value for his francs. However, I saw one interesting illustration. One of the large handkerchiefs such as girls wear gypsy style on their hair, which retail in the United

States for about \$1.50 or \$2, was priced in the post exchange at 715 francs, or about \$14.30. So they cannot push the prices down too much. It is the best step they know of taking at the present time, until some negotiations are carried on and stabilization is brought about.

There is another bad feature. Not only is enmity growing up, but, frankly, the whole thing is hurting France's economy. It is building up inflation, because we are sending 3,000,000 men through France, who are buying with deflated francs. They are dissatisfied, and it is building up a market which should not exist.

There is one other thing in our conclusions about that. We agreed that some steps must be taken to freeze some of the profits of the collaborators, who are the only people in many cases able to furnish the materials the soldier wants to buy; in other words, furnish our PX or ship's store the materials he wants to buy. Some steps should be taken to stabilize that. It is definitely a bad situation.

Frankly, the French could remedy that condition in a moment by stabilizing the franc at 2 cents and putting a few people in the penitentiary for curbstome racketeering, and by stopping the black market. Indeed, every market over there is black. I failed to find one, except the ship's store and the Army PX, that was not black.

Mr. MEAD. Mr. President, I want the able chairman of the subcommittee to tell the Senate something about the offer, about which I heard when attending one of the committee meetings, whereby the French Government might reimburse our soldiers to the extent of some 750 francs a month.

Mr. KILGORE. I have the testimony here that covers that point, by Mr. Coe, of the Treasury Department, who was being questioned about that. We were discussing the restaurants of which the Senator from Maine has spoken, and Mr. Coe was being questioned by the junior Senator from Michigan [Mr. FERGUSON]. I read from the testimony:

Senator FERGUSON. . . . If we get a restaurant where they can eat at a different rate, do we subsidize that restaurant?

Mr. COE. No, sir. The program that Mr. Collado alludes to, which is being negotiated by the War Department with some Treasury and State assistance in Paris at the present time, includes the following features: First, a system of centers to be set up by the French Government like our USO centers. Two of them have been opened already and I understand have been quite successful. Second, certain abatement on taxes, gift taxes, etc., which hit the soldiers very hard when they buy things to bring home. Third, there is under discussion and not settled at the present time a troop pay adjustment or gift, depending upon the side from which you look at it, of a very substantial amount, five and one-half billion francs for 1 year which the French are offering us for the troops on leave. It would amount to about 750 francs per month per man, lump sum. The details of that have not yet been worked out, so that these are expenses, all of them, to be met by the French.

Mr. McMAHON. Mr. President, will the Senator yield?

Mr. KILGORE. I yield.

Mr. McMAHON. If we were to pay our troops in dollars that would bring about a very quick correction of the situation, would it not?

Mr. KILGORE. No; unfortunately it would not. That would result in loading up the foreign market with American dollars, which is a thing we are trying to avoid as much as possible. We are getting into a situation where the people are gambling on our dollars, and a bad market and treasury problems result, and the first thing we know we will have so much of our currency abroad and so much demand on us that a difficult situation will result. Already demands have been made for \$6,500,000,000 of American currency in the United States. Concealed bank accounts, for instance, under key names in Swiss banks amount to a billion and a half dollars. We think they are Nazi accounts. They are building up this foreign exchange abroad to deal with us in the future. We have to control that situation in some way. That will hit the soldiers. I well remember that at Pisa a woman tried to sell me some little jimcrack for which she wanted a dollar. The driver said to me, "Do not give it to her." He said, "She is entitled only to 100 lire. That is the price marked on it." Of course, I did not give her the dollar and she proceeded to give the driver a good cussing in very fluent Italian. The driver turned around and said to me, "Why, she can go downtown and get \$8 for that green-seal dollar you have there. If it had been a gold-seal dollar she could get \$6 for it downtown."

Mr. President, over there we have a green-seal dollar and another kind of dollar, a gold-seal dollar. The green-seal dollar, which is the standard American dollar, bears a higher valuation in Italy and France than the gold-seal dollar which was originally intended for invasion purposes.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. KILGORE. I yield.

Mr. FERGUSON. Children on the streets, when they see an American, will try to exchange lire for American dollars, and I think we might be able to say that the American dollar is so valuable that one can almost place his own price on the dollar in demanding lire.

Mr. KILGORE. Yes. I well remember one instance in Italy when the Senator from Michigan wanted to see how high the market was. In dealing with a small boy he ran the price up to 400 lire for a gold seal-dollar before he declined to sell. I do not know how much higher the price would have gone had we had time to haggle.

Mr. BREWSTER. Mr. President, will the Senator yield further?

Mr. KILGORE. I yield.

Mr. BREWSTER. Whether or not our soldiers abroad should want to see French life or the interior of a French restaurant is a matter of discussion, but it certainly does not seem to me an unwise and improper interest. Yet if the American soldier goes into any French restaurant to buy a meal, he will have to pay an extraordinarily high price. An officer of our forces told me that a meal for two cost him 140 American dollars.

Mr. KILGORE. Yes. I may say we were warned, upon arriving in Paris, that we could get a fairly good 50-cent meal for \$40 or the equivalent of \$40 at our rate of exchange in France.

Conclusion No. 11: The difficulties recited in conclusions Nos. 4, 5, 6, 7, 8, 9, and 10 result from the failure of our Government agencies abroad to obtain all the considerations we should have received in return for the huge contribution we have made in this war. Lack of a clearly established foreign policy over a very long period of years is a major contributing cause. Lack of coordination and confusion among American agencies abroad—

In other words, agencies which parallel others—

has exaggerated this condition. These conditions can be remedied by concentrating authority for each area in a single individual, by strengthening personnel which represents the United States abroad and by providing them with adequate funds.

With which to operate. In fact, in the matter of operating funds we are the paupers of Europe.

There must be the closest coordination among the various agencies participating in foreign affairs, so that they can operate as a single efficient unit in the promotion of clearly defined objectives.

I noticed a news item the other day which illustrates this exchange situation: Our people in Russia were buying rubles at one price and the British were buying them at one-fourth of what we were paying for them.

Mr. BREWSTER. Mr. President, will the Senator yield?

Mr. KILGORE. I yield.

Mr. BREWSTER. In connection with what the Senator said about our situation and our property abroad, I want to refer to one item in connection with the airfields, which are some of our most important installations. The State Department in commenting on our report apparently depreciated some of our discussion. The State Department said:

The fact that these and many other types of installations cost the United States hundreds of millions of dollars does not make them investments. * * * The committee exaggerates the bargaining position of the United States with foreign countries.

I do not know whether we exaggerated or not, but it was brought out for us very clearly that they are seeking from us in other countries some \$20,000,000,000 additional advances—\$3,000,000,000 to France, and other amounts to England and Russia. They told us that under the agreement already in effect, known as the protocol, they were contemplating asking Congress for authority for the Export-Import Bank to increase its loan power so as to make these advances under the so-called 3-C agreements.

The State Department continues:

The committee appears to believe that the United States should bargain with foreign countries to secure postwar rights, particularly in the field of aviation.

I should certainly say that was the position of the committee, and that it seems to be justified.

Mr. KILGORE. May I interrupt the Senator at that point? The Senator from Maine came to the conclusion, and he had come to the conclusion on pre-

vious trips that every other nation bargained with us about what we were going to give them, and why should not we bargain with them respecting what we should receive in return.

Mr. BREWSTER. Yes. They are all seeking very earnestly for these vast advances. I am not saying that we should not grant them, but I say that in return it seems to me we have a right to expect that they will give us some recognition of some character that is within their economic power.

Mr. KILGORE. I agree.

Mr. BREWSTER. We were told that we did not know what the value of these air fields was. So we asked about it, and this is the report which I have received from the various authorities. We have now 370 air fields in foreign countries. We received the cost figures on 36 of these, or a little less than one-tenth, and the total cost of these 36 air fields, according to the official figures, was \$413,804,690, or nearly half a billion dollars for 36 fields, and we have 370 fields in various parts of the world. It seemed to the committee that we were entitled to some consideration in the postwar world—perhaps to use some of these fields more than 6 months after the termination of the war—in return for this vast investment which we had made when these countries at the same time are asking us for consideration in a variety of ways to which we are giving most sympathetic attention.

Is it unconscionable for us to ask that we shall be permitted to use a \$25,000,000 airfield that we have built to help save the country in question and civilization as well when they are asking us for a loan of \$3,000,000,000?

Mr. KILGORE. I thank the Senator from Maine.

In conclusion, the committee intends to continue to study these matters carefully and to give particular attention to our surplus properties overseas and to the functioning of our supply organization overseas. It is our clear duty to the taxpayers of the Nation to insist that these matters be handled efficiently and economically. It is our duty similarly to the entire Nation to insist that the vast expenditures which have been made in this war be utilized with the greatest degree of efficiency to the end of winning complete victory at the least cost in lives and property and to secure the fruits of that victory in an era of peace and prosperity.

At this time, Mr. President, I ask unanimous consent to file the formal report of the committee.

The PRESIDING OFFICER. The report will be received and printed.

Mr. MEAD. Mr. President, I wish to comment briefly on the report which has just been submitted to the Senate by my able colleague from West Virginia, who was chairman of the overseas committee of the Special Committee to Investigate the National Defense Program. I believe that the work of this subcommittee and other subcommittees of the Special Committee to Investigate the National Defense Program which have traveled abroad has been very helpful. I think the protection of American interests will

be enhanced as a result of these reports. I believe that we shall be enlightened with reference to our rights in air bases, naval bases, and military bases abroad.

Mr. KILGORE. Mr. President, will the Senator yield?

Mr. MEAD. I yield.

Mr. KILGORE. Our agencies were in a hurry. We must not condemn them. One illustration of how an agency fails to think was in connection with a particular communications center which we constructed in the Middle East. We took the right to send only military messages. As a result, the State Department, the Treasury Department, the Department of Justice, and every other Government agency had to pay commercial rates to a foreign-owned station, while we had a top-notch station of our own, with an abundance of time to send the messages. In obtaining the lease or procuring the deed to the land, a clause had been permitted to be inserted which provided that nothing but military messages could be sent over those facilities.

Mr. MEAD. I believe that the gathering of information all over the world, which has been so well accomplished by the able Senator's subcommittee, has been illuminating and very helpful to the Senate and to the country. I know that it will be helpful to the Senate and to the standing committees of the Senate in their legislative efforts in the future. I wish to compliment the subcommittee, because any subcommittee which can establish such a record as that of this subcommittee deserves the commendation of the Senate. I quote from the statement of the Senator from West Virginia:

In a period of a little over a month both at home and abroad we were thus able to hold a total of about 40 hearings, to hear over 300 witnesses, and to take more than 2,000 pages of testimony.

Think of it, Mr. President. Their work is not yet finished. They are still holding hearings. They are still engaging the agencies of Government in conferences, and from it I am sure will come a very wholesome and helpful contribution.

Mr. KILGORE. I thank the Senator from New York.

SERVICE OF NEGROES IN THE NAVY

Mr. MEAD. Mr. President, during the past few days we have been treated to some very laudable and exemplary speeches—speeches delivered by the able Senators who returned from the San Francisco Conference. In my judgment those speeches rank with the very best which have been delivered in the Senate. They were sound and logical. They were effectively delivered, and I believe in each case they were received with practically unanimous approval.

But, Mr. President, we have also listened to other speeches which in my judgment did not rank so high. Sometimes I felt that we had reached a new low. At times I believed that the speakers may have pulled all the stops. In the course of those speeches some persons were embarrassed. Others may have been humiliated.

Mr. President, I feel that I ought to say a word for a group which I believe is entitled to commendation. They do not

need defense, but I believe they are entitled to commendation at this time in this body. I wish to read, not from hearsay evidence, not from what someone may have learned here, there, or somewhere else. I wish to read from the official records of World War II:

WORLD WAR II

On April 7, 1942, Secretary of the Navy Frank Knox announced that Negro volunteers would be accepted for general service in reserve components of the Navy, Marine Corps, and Coast Guard, and said that all ratings would be open to them in each of those branches of the naval service. The Secretary also announced that the same physical and medical entrance standards would be required as for all other Navy personnel.

Negro sailors, he said, would be utilized for duty in district craft of various kinds, in maritime activities, around shore establishments, in navy yards, and in the Navy's new construction or Seabee battalions to develop bases outside the continental limits of the United States.

Recruiting began June 1, 1942, at all recruiting stations throughout the country. More than 93,000 Negroes have joined the naval service.

On April 28, 1943, the Navy Department issued a press release announcing that increasingly greater numbers of Negroes would enter the Navy through the selective-service procedure.

Of those who had volunteered before the ban on voluntary enlistments of men between 18 and 38 years of age, imposed by the Executive order of December 5, 1942, most by April 1943, had completed their basic training and many had finished their advanced training at Navy vocational schools and had been assigned to active duty.

Camp Robert Smalls, naval training station, Great Lakes, Ill., and the United States naval training station, Hampton Institute, Hampton, Va., were established to train Negro recruits. The facilities at Great Lakes and at Hampton Institute for training Negro sailors for technical billets carrying ratings was expanded to meet the needs occasioned by expansion of the enlistment of Negroes.

The first group of Negroes to complete basic training, 222 in number, left Camp Robert Smalls on September 3, 1942. Of these 102 were chosen for advanced training to become specialists. Ninety-seven Negro bluejackets, the first of their race to complete instruction in the various trades offered by the Navy graduated from service school at the United States naval training station, Great Lakes, January 7, 1943. Subsequently, similar classes have graduated from that school at regular intervals.

Mr. President, these thousands of loyal, faithful Negro citizens who took advantage of these opportunities, and who were trained in the established naval schools of the country, gave a good account of themselves. They showed a heroism under fire which was most exemplary and laudable, and which compared favorably the heroism under similar circumstances of any other group in this great united enterprise which the United Nations of the world have been carrying on successfully against our common foe.

HEROISM OF NEGROES IN THIS WAR Doris Miller

Doris Miller, mess attendant, first class, United States Navy, 23 years old, of route 1, box 339, Waco, Tex., was the first Negro to be commended in World War II. He was awarded the Navy Cross for heroism displayed during the Japanese attack upon Pearl Har-

bor, December 7, 1941. He is now listed as missing in action following the sinking of the U. S. S. *Liscome Bay* on November 24, 1943.

Miller was cited for his distinguished devotion to duty, extraordinary courage and disregard for his own personal safety during the attack. Earlier in a letter of commendation awarded Miller, the Secretary of the Navy stated that "while at the side of his captain on the bridge, Miller, despite enemy strafing and bombing and in the face of serious fire, assisted in moving his captain, who had been mortally wounded, to a place of greater safety, and later manned and operated a machine gun until ordered to leave the bridge."

Elvin Bell

Elvin Bell, mess attendant, third class, United States Navy, 20 years old, of Jamaica, N. Y., on February 2, 1943, was awarded the Navy and Marine Corps Medal with the following citation:

"For distinguished heroism while serving aboard the U. S. S. *Lexington* during the Battle of the Coral Sea on May 8, 1942. Voluntarily joining a repair party fighting a fire in an area frequented by violent explosions of gasoline vapor and ammunition, Bell, although emerging in an exhausted condition, unhesitatingly entered the most dangerous section of the stricken carrier and assisted in removing injured personnel who had been trapped below decks. His courageous initiative and utter disregard for his own safety were in keeping with the highest traditions of the United States Naval Service."

Charles Jackson French

Charles Jackson French, mess attendant, second class, United States Navy, 23 years old, of Foreman, Ark., was commended by Admiral William F. Halsey, United States Navy, commander, South Pacific Area and South Pacific Force, for heroism while serving on a destroyer in the Pacific Area.

His commendation, announced May 13, 1943, reads as follows:

"For meritorious conduct in action while serving on board a destroyer transport which was badly damaged during the engagement with Japanese forces in the British Solomon Islands on September 5, 1942. After the engagement a group of about 15 men were adrift on a raft which was being deliberately shelled by Japanese naval forces. French tied a line to himself and swam for more than 2 hours without rest, thus attempting to tow the raft. His conduct was in keeping with the highest traditions of the naval service."

U. S. S. Campbell

A gun crew of 11 Negro enlisted men was attached to the United States Coast Guard cutter *Campbell* when that vessel engaged a submarine pack, ramming and sinking one U-boat and depth charging five others, while protecting an Atlantic convoy several months ago.

Reports received at United States Coast Guard headquarters revealed that the Negro gun crew fired several rounds at the U-boat, which was sunk, and scored telling hits which aided in the destruction of the under-seas vessel. The attack was announced by the Navy Department on March 17, 1943. (See press release included later.)

Leonard Roy Harmon (the U. S. S. Harmon)

Secretary of the Navy Frank Knox on June 8, 1943, designated Mrs. Naunita Harmon Carroll, whose address was P. O. Box 381, Cuero, Tex., to sponsor the destroyer escort U. S. S. *Harmon*, which she did when the vessel was launched July 10, 1943, at Hingham, Mass.

The *Harmon* received its name in honor of Mrs. Carroll's son, the late Leonard Roy Harmon, mess attendant, first class, United States Navy, who was awarded the Navy Cross posthumously for heroism while serving on

the U. S. S. *San Francisco*. This is the first vessel to bear the name "Harmon."

Harmon's citation issued with the award of the Navy Cross reads as follows:

"For extraordinary heroism while serving aboard the U. S. S. *San Francisco* during action against enemy Japanese forces in the Solomon Islands area on November 12 and 13, 1942. With persistent disregard for his own personal safety, Harmon rendered invaluable assistance in caring for the wounded and evacuating them to a dressing station. In addition to displaying unusual loyalty in behalf of the injured executive officer, he deliberately exposed himself to hostile gunfire in order to protect a shipmate, and as a result of this courageous deed, was killed in action. His heroic spirit of self-sacrifice, maintained above and beyond the call of duty, was in keeping with the highest traditions of the United States naval service. He gallantly gave up his life in the defense of his country."

William Pinckney

The Secretary of the Navy, on behalf of the President of the United States, awarded the Navy Cross to William Pinckney, cook, third class, United States Navy, on June 10, 1943. Pinckney, 28 years old, was the son of Mr. and Mrs. Ronty Pinckney, box 92, Beaufort, S. C. The Navy Cross was given with the following citation:

"For extraordinary heroism while serving aboard the U. S. S. *Enterprise* during the engagement with enemy Japanese naval forces near the Santa Cruz Islands on October 26, 1942. When a heavy bomb exploded in the near vicinity, Pinckney, standing at his battle station in the ammunition handling room, was knocked unconscious. With several compartments completely wrecked and four of his five companions killed, Pinckney, regaining consciousness, groped his way through the burning and tangled wreckage to a point under an open hangar deck hatch. Just as he was about to escape, he found a shipmate, the only other survivor of his party, struggling up through the hatch. When the man fell unconscious, either from his wounds or from smoke and fumes, Pinckney, unmindful of his own danger, lifted his comrade through the hatch to safety before he himself battled his way out of the burning and smoke-filled compartment. By his dauntless courage in saving his comrade's life at great risk to his own, Pinckney upheld the highest traditions of the United States naval service."

Joseph Cross

The Secretary of the Navy, in the name of the President of the United States, awarded the Navy and Marine Corps Medal to Joseph Cross, steward's mate, first class, United States Naval Reserve, of 2510 Thalia Street, New Orleans, La.

The citation says:

"For heroic conduct during four submarine war patrols in enemy-controlled waters, performing his duties with excellent judgment and conscientious skill, Cross contributed materially to the destruction by his ship of an important amount of Japanese shipping. His resolute courage was in keeping with the highest traditions of the United States naval service."

Elbert H. Oliver

A Silver Star Medal was awarded Elbert H. Oliver, steward's mate, first class, United States Navy, by the Secretary of the Navy, in the name of the President of the United States. Oliver, who has been wounded in action, resided at 1112 Locust Street N., Little Rock, Ark.

His citation reads:

"For conspicuous gallantry and intrepidity while serving aboard a United States warship during a raid upon that vessel by approximately 25 Japanese torpedo planes in the vicinity of the Solomon Islands on

June 30, 1943. When members of his 20-millimeter gun crew were severely wounded by a bursting projectile, Oliver quickly took over the station of the injured gunner and, although he himself was bleeding profusely, maintained accurate fire against the attacking planes until eventually compelled to give way to a relief gunner. His aggressive fighting spirit and grim determination to carry on in the face of acute pain and waning strength were in keeping with the highest traditions of the United States naval service."

Mr. President, I have a long list of Army heroes, but I shall read their names at some other time.

As I said in the beginning, I really believe the Senate should take time to take cognizance of the heroism and bravery of the men of this particular group, especially because of what has been said in the Chamber in the very recent past.

Mr. MAGNUSON. Mr. President, will the Senator yield to me?

Mr. MEAD. I am glad to yield.

Mr. MAGNUSON. I wish to compliment the Senator from New York on calling this matter to the attention of the public and the Senate. A great deal has been said in the past few days about Negroes and their ability to fight in battle and their heroism and other attributes. Most of the remarks have been directed to Negroes in the Army. Therefore, I am particularly glad that the Senator from New York has brought out the records of Negroes in the Navy. The Senator from New York referred to those who have been decorated. In my time I have served on some ships on which Negroes have also served, and there are literally thousands of Negroes serving in the United States Navy who have received no decorations but who have been an integral part of the mechanism which is a ship in battle, and they have performed their part well.

As a matter of fact, Mr. President, there has been less difficulty in the United States Navy with Negro enlisted personnel, insofar as patriotism, discipline, courts martial, and bringing them before the masters are concerned, than with any other single group. They are to be complimented. I hope the day will come—because the Negro group is a great, patriotic group—when the United States Navy will see fit to add more Negroes to the personnel of the ships of the fleet. They have served well in the armed forces.

Mr. MEAD. Mr. President, I am glad to have the observations of my distinguished colleague from Washington, because they come from one who has served in the Navy, and served gallantly, and who knows of the record of which he speaks.

I wish to say further, Mr. President, that I agree heartily with everything my colleague has said. I myself have traveled around the world; I have visited many of the battlefields and many of the colored units located in various fighting areas. I have learned at first hand from the officers in charge of those units, and from higher officers in charge of Army corps, of the records and the distinguished services of those colored units.

As my colleague has said, I hope they will be encouraged; I hope the splendid efforts they have made and the wonderful contribution they have given will be recognized. I am sure they will be recognized by the Senate, as they have been recognized by the Army and Navy authorities, and I am sure they are well appreciated by the country itself.

OVERSEAS INVESTIGATION OF SPECIAL COMMITTEE—MACHINE TOOLS

Mr. FERGUSON. Mr. President, I should like to make a few remarks about the report which was filed by the subcommittee of the Mead committee, and I should like to say something regarding the sale of lend-lease machine tools to the United Kingdom. It is not a question whether we agree about the interest remaining in the tools to be sold; the question is whether the Foreign Economic Administration had authority to sell them, under the circumstances.

An examination of lend-lease, and particularly of reverse lend-lease, will disclose, I think that in some cases there is a disregard of the property rights of the respective countries. I think at times some of our officers treat reverse lend-lease as being nothing; they seem to take the attitude that lend-lease in the beginning is never to be returned, that no accounting is ever to be made; and we find that the value of reverse lend-lease is not kept, but lump sums are entered. Under those circumstances, I think the Senate and the House of Representatives should know about the situation and determine whether that is really our policy.

That is why I wish to say something about the sale of machine tools to the United Kingdom. The reason why I think it is important is that I receive from Michigan complaints by persons who say they are having difficulty in obtaining tools for refitting plants for civilian production.

I think we may consider the question of furnishing other supplies to our allies during the war. I wish it to be understood that I believe in lend-lease if it is used for aiding us in our defense, and in the prosecution of the war. However, I believe that those who are dealing with lend-lease should look twice before they give away certain material of which we are in need.

Only recently I received a personal call from one of the high officials of an automobile concern, who had been told that the company could return to the production of automobiles for civilian use. If there is anything needed in this country, it is transportation. That is true whether the transportation be needed by the civilian in traveling from his home to a war plant, or in any other way which may be necessary in connection with the production of the Nation's war material. We need locomotives, cars, and railroad supplies. But we hear that countries like Argentina are to receive 2,500 box-cars and other types of railroad cars next year. I think a survey should be made. We must understand that when this country is short of railroad cars, and when other countries are in need of railroad cars, the proper officials should be consulted in order to determine whether

the needs of this country are greater than those of foreign countries. Many persons are willing to do without sugar if they know that the sugar being shipped abroad on lend-lease or otherwise is really essential in the economy of those who are going to help in our war effort.

I return again to the sales of machine tools to the United Kingdom.

On January 19, 1945, the Foreign Economic Administration concluded the sale of 58,000 machine tools to Great Britain. Mr. President, a company the size of General Motors, with all its ramifications, has only approximately 75,000 machines. The number of machine tools sold to Great Britain represented practically four-fifths as many machine tools as General Motors has in the United States of America. So we are not talking about small items; we are talking about very large items. Those machine tools were not offered to any Government agency in the United States, nor were they offered to any private concern in the United States.

Mr. President, what do we find? These machine tools have been supplied to the United Kingdom under lend-lease. We will assume that that supply was a proper one. The original cost was estimated to be \$166,000,000. The machine tools were sold to Great Britain for \$31,500,000. How was the price arrived at? I believe the answer is important to the Senate and to the people of the United States. What care was exercised in arriving at a proper price, assuming that the sale was proper?

What was sold to the United Kingdom was the estimated residual value of tools after the expiration of their lend-lease use in war production. The price was arrived at by the following formula, as suggested by Sir Percy Mills, United Kingdom Comptroller General of Machine Tools, in a memorandum dated October 4, 1944:

Since 31,666 tools were delivered by the end of 1942, 20,144 during the year 1943, and 6,195 during 1944, all used on war production during the German war and one-half being necessary for the Japanese war—

I should like to know how they arrived at one-half for the Japanese war—

it was assumed that the lend-lease use would not be less than 3 years.

Some tools were lost in transit—

You will notice, Mr. President, that the word "some" is used. It should not be difficult to determine how many tools were lost in transit—

some destroyed by the enemy—

It should not be difficult to determine what had been destroyed by the enemy, some in bad condition—

It should not be difficult to ascertain what the condition was—

and some would not be needed, for all of which an allowance of 25 percent of the original value of \$166,000,000 was made, reducing the value to \$124,500,000.

The tools were then divided into four classes:

1. \$18,000,000 worth of these tools were suitable for civilian work, to which the formula of the War Surplus Property Administration valuing such tools at 50 percent of the original cost is applied, resulting in a sales price of \$9,000,000.

2. \$45,000,000 worth of machines having British equivalents, also suitable for civilian production, reduced first to the price level of British equivalents (estimated to be 50 percent)—

It will be noticed, Mr. President, that there was a reduction to the price at which Great Britain could have produced them, but they cost us, the American taxpayers, the American price. So a reduction was made, estimated at 50 percent. In other words, it was estimated that it would cost 50 percent more to produce the tools here than to produce them in Great Britain and if we were going to sell them to Great Britain we would have to cut the price 50 percent as though they had been produced in Great Britain.

I continue reading—

and then further reduced by the War Surplus Property Administration pricing formula by another 50 percent, resulting in a sales price of \$11,250,000.

3. \$2,500,000 worth of armament manufacturing machines, suitable only for military production, desired solely as a reserve for defense, valued at 10 percent of original cost, resulting in a sales price of \$250,000.

4. \$59,000,000 worth of miscellaneous tools, having British equivalents, at price ranges of 50 percent of the American price levels, valued at 37½ percent of that value, resulting in a sales price of \$11,000,000.

The total value was \$31,500,000.

Mr. President, the Foreign Economic Administration replied to the committee's question in relation to those tools. The reply was dated March 28, 1945. The question was as follows:

The committee desires an expression of opinion as to whether or not this transaction is in any way covered by the terms of the Surplus Property Act of 1944, and the reasons for that opinion.

In other words, we wanted to know whether or not they were selling those tools under the Surplus Property Act which the Congress had passed, covering all surplus property. The residuary interest of the United States in those tools, after they were used for defense purposes, was in the United States of America. The only way by which the interest could be taken from the United States was to sell it or dispose of it. Therefore, I am of the humble opinion that the property was surplus property. The committee wanted to know whether or not it was treated as surplus property.

I now read the answer received from the FEA:

In the opinion of this Administration, this transaction was in no way covered by the terms of the Surplus Property Act of 1944 for the reason that the machine tools in question were not surplus and have not yet become surplus, in view of their continued use in war production in the United Kingdom. The transaction represents a sale of the machine tools pursuant to the powers conferred by section 3 (a) of the Lend-Lease Act, to sell, transfer title to, etc., defense articles on terms of payment by the United Kingdom for the residual postwar value of the tools, and of settlement for their war use in accordance with the principles set forth below in our answer to question 10. It may be noted that section 34 of the Surplus Property Act of 1944 provides that nothing in that act shall impair or affect the provisions of the Lend-Lease Act."

The committee is not satisfied that the answer adequately shows authority in the Foreign Economic Administration to make this sale. In the first place, what was being sold to the British was the residual value after use for war production had ceased, as stated by the Foreign Economic Administration in its letter to the committee dated March 17, 1945, as follows:

Finally, it is important to note that the amount paid in accordance with the foregoing considerations is the estimated residual value after the machines have ceased to be used in the war effort.

Mr. President, if they ceased to be used in the war effort and were not to be used in the war effort, no title could be transferred under lend-lease. That is the point I want to make. When they are sold after the war effort, then there is no authority to sell them under lend-lease.

The remainder of the original cost stands on the lend-lease accounts, to be dealt with in accordance with whatever general settlement for lend-lease aid will ultimately be made.

By its very terms, therefore, the sale excluded a transaction for lend-lease purposes.

I shall now read section 3 (a) (2) of the Lend-Lease Act, which is relied upon by the Foreign Economic Administration for its authority. The section is as follows:

SEC. 3. (a) Notwithstanding the provisions of any other law, the President may, from time to time, when he deems it in the interest of national defense—

In the interest, Mr. President, of national defense—that was the purpose of lend-lease—

authorize the Secretary of War, the Secretary of the Navy, or the head of any other department or agency of the Government.

(2) To sell, transfer title to, exchange, lease, lend, or otherwise dispose of, to any such government any defense article—

Mr. President, again I say that after the war is over—and that is when we are selling them—these tools are not defense articles—

but no defense article not manufactured or procured under paragraph (1) shall in any way be disposed of under this paragraph, except after consultation with the Chief of Staff of the Army or the Chief of Naval Operations of the Navy, or both. The value of defense articles disposed of in any way under authority of this paragraph, and procured from funds heretofore appropriated, shall not exceed \$1,300,000,000. The value of such defense articles shall be determined by the head of the department or agency concerned or such other department, agency, or officer as shall be designated in the manner provided in the rules and regulations issued hereunder. Defense articles procured from funds hereafter appropriated to any department or agency of the Government, other than from funds authorized to be appropriated under this act, shall not be disposed of in any way under authority of this paragraph except to the extent hereafter authorized by the Congress in the acts appropriating such funds or otherwise.

It will thus be observed that subsection 2 of section 3 is limited by the purposes set forth in the opening clause of section 3 (a), particularly by the phrase "when he deems it in the interest of na-

tional defense." In other words, it is my humble opinion that the authority conferred upon the President under the Lend-Lease Act was for the purpose of the defense of the United States and that the powers so conferred could not, therefore, be passed on to another and exercised for another purpose in which the objective of the defense of the United States is expressly excluded, as was the case in the sale of these machine tools to Great Britain.

Mr. WHERRY. Mr. President, will the Senator yield for a question?

Mr. FERGUSON. I yield for a question.

Mr. WHERRY. In the inventory made by the Surplus Property Disposal Agency is the value given in American dollars?

Mr. FERGUSON. It is in American dollars.

Mr. WHERRY. That surplus property is to be sold where it is now, is it not?

Mr. FERGUSON. That is correct.

Mr. WHERRY. Then who makes the determination of the value of the exchange?

Mr. FERGUSON. The exchange, as I understand, is set now at \$4.03. We automatically and dogmatically set the exchange of the British pound at \$4.03; we set the franc at 2 cents; and we set the lira at 1 cent.

Mr. WHERRY. But it is true, is it not, that the Senator found from his observations while he was abroad with the committee investigating surplus-property disposal that the legal rate of exchange which our representatives made in the valuation of other currencies, say, the franc, was not the actual valuation of the franc in the open market?

Mr. FERGUSON. There is no doubt about that.

Mr. WHERRY. Then let me ask this question: When a sale is made of surplus property, who determines what money shall be accepted and what the value of that money is?

Mr. FERGUSON. We were paid, as I said, \$31,000,000; we were paid in dollars.

Mr. WHERRY. The Senator means under reverse lend-lease we were paid in dollars and were not paid in francs or in pounds.

Mr. FERGUSON. This is a cash transaction or supposed to be.

Mr. WHERRY. Where surplus property is sold overseas we receive currency at one value, and when credit is made on lend-lease another value is used. It seems so to me, if I understand the report correctly. On page 20, the committee states:

A further consideration is the effect of the rate of exchange upon the settlement of lend-lease accounts. The committee was told that the valuation agreed upon in the fixing of the rate of exchange was agreed to be controlling for purposes of reverse lend-lease and lend-lease accounts.

In other words, when it comes to lend-lease the value of the franc is taken as one basis, and when our representatives sell surplus property they take another value. Is that right?

Mr. FERGUSON. That could be done.

Mr. HATCH. Mr. President, I have not so understood the Senator's statement about the transaction.

Mr. FERGUSON. This particular deal was a cash, a dollar transaction. The Senator from Nebraska, I think, is referring to another page of the report.

Mr. WHERRY. What I am trying to bring out in the Record is this: I am not referring to any one particular transaction, but in the sale of surplus property certainly the Department of State, the Treasury Department, or some other department of Government should fix the value of exchange on the money our Government takes for the property we sell. It is not so done today. In order to call attention to it I refer to page 20 where there is a value placed upon the currency in lend-lease, but the value of the money does not even come into the consideration evidently with reference to reverse lend-lease. The legal value of the franc is taken. Is that right? But in a sale the Government gets whatever it can get out of the property. The legal value set to pay the men of our fighting force is 50 francs for \$1. The black-market value runs as high as 130 francs for \$1.

Mr. HATCH. Mr. President, I do not wish to enter into the discussion, because I have not studied the report.

Mr. WHERRY. Nor have I.

Mr. HATCH. I was just reading page 20. I do not think the Senator has correctly interpreted what the committee said. It points out the possibilities as to what might happen, and the confusion which may exist about the situation. I do not think the committee has reported as to what has actually transpired.

Mr. WHERRY. If the Senator from Michigan will yield, I shall answer the distinguished Senator from New Mexico with this observation. The paragraph I just read definitely states that the committee was told by someone, I suppose the Department of State or some other agency, perhaps the Surplus Property Disposal agency, that in the valuation of any property which was purchased by the Allied Governments and paid for by them through reverse lend lease, the valuation agreed upon in the fixing of the rate of exchange was not the controlling factor for purposes of reverse lend lease and lend-lease accounts. I take it that it did not make any difference. These purchasers asked to be credited in their accounts at a legal rate. On page 19 it is said the francs were valued at 2 cents. I suppose that is the basis upon which the credits were made. Yet, if I recall correctly, when I was in Europe it took 130 francs on the street to get an American dollar.

What I am asking is: Did the committee find in its examination into the sale of surplus property that the inventory was made in dollars? Then, when the property is sold over there, do our representatives take the legal rate, or what the franc is actually worth in the open market? That makes all the difference in the world in the disposal of surplus property, the legal rate being 50 francs for \$1, the black-market rate 130 francs for \$1.

Mr. FERGUSON. Mr. President, I can answer the Senator's question. Outside the sales I mentioned, we found no record of the sale of surplus property. But

the Senator raises the exact point the committee raised. That was one of the difficult questions. Because we have placed the value on the franc, the dollar, and the lira, are we going to use that price when we sell surplus property, or are we going to use a new price we might make as of that date? That is one of the questions we raise now. In my opinion, we should not use the price we had already made, which has resulted in a great hardship to our soldiers, whose compensation has been depreciated sometimes as much as 50 percent, when they have to pay 130 francs for the dollar.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. FERGUSON. I yield.

Mr. WHERRY. To show that there is a very unjust valuation on the franc, our Government, in order to hold down inflation, because goods were scarce, paid our soldiers in France in francs. Yet they could take a dollar on the street and get for the dollar four times what they were paid in francs. There is a black market over there.

Coming back to what we were discussing, there is, in connection with the sale of surplus property, a point I wish to bring to the attention of the committee; though I am not sure what they can do about it. It is my thought that the United States Treasury should place a value on the foreign currency being paid in the sale of surplus property, and we should follow their suggestion from time to time. Otherwise, when we sell the property, we might be giving it away.

I suggest to the distinguished Senator from New Mexico that I went out into the country and inquired of one of the mayors, one of the officials who govern at little villages, the price of a horse. I looked at the horse. I do not know whether the distinguished Senator from New Mexico has ever traded in horses, but I know something about horses.

Mr. HATCH. The Senator from New Mexico has spent all his life, up to now, in the Southwest.

Mr. WHERRY. In this country that horse would not have brought \$25. I had a very distinguished associate with me from the United States Senate, from Illinois, who is on the Senate floor at this moment, and he will recall that when I finally obtained from the mayor, a farmer in France, information as to what the value of that horse was, he said it would take 80,000 francs to buy the horse. That would be \$1,600 in American money. In this country the horse would not have brought \$25.

I say that in the sale of surplus property which has to be sold in Europe, it is one thing to inventory it in American dollars, it is another thing to say we are going to give credit at the legal value of the franc, and then another thing to know what we are actually getting on the basis of American money. Either the State Department, if it is their job, or the United States Treasury should be able to fix what the rate of exchange should be.

Mr. HATCH. Mr. President, my only reason for interrupting was to call attention to the exact language of the report, and to point out that the

conditions to which the Senator from Nebraska has referred had not actually arisen. What the committee actually said was this:

The committee was told that the valuation agreed upon in the fixing of the rate of exchange was agreed not to be controlling for purposes of reverse lend-lease and lend-lease accounts.

The committee added this:

Having recognized the valuation for one purpose, however, our representatives will be in a weak position to urge a lower valuation rate for the foreign currency in the settlement of lend-lease accounts.

That is what the committee actually said, what the committee was pointing out, and the only actual instance referred to was the one the Senator from Michigan has given, which was on a cash dollar basis.

Mr. WHERRY. Mr. President, will the Senator from Michigan further yield? Mr. FERGUSON. I yield.

Mr. WHERRY. I understand perfectly what the distinguished Senator from New Mexico had reference to concerning the statement in the report on page 20. I merely called the attention of the Senate to the fact that in this one transaction, which was for dollars, that was perfectly agreeable. I am pointing out to Senators what will arise in the future in the sale of surplus property. I should like to include in my remarks at this point the last paragraph on page 20, which reads:

Likewise, in sales of surpluses in foreign currencies, exchange problems will arise and present our disposal agents with the alternative of fixing prices in foreign currency at a higher level than would be indicated by the official rate of exchange on the one hand, or the acceptance of less than the true value of the goods disposed of if priced in foreign currencies at the official rate. The committee feels that our representatives erroneously attempted to use the fixing of the rate of exchange as a means of accomplishing some political objectives which are not altogether clear and, as a result, have created problems which may be most difficult of solution and very embarrassing to our representatives in a variety of future transactions in the countries where an artificially high rate of exchange was agreed upon.

I do not care to go into that further. I had not read that in the report when I made my observation. I was simply giving a statement relative to my own observations while I was in Europe.

I wish to suggest to the distinguished Senator from Michigan that my views concern absolutely the report of the committee. Problems have been created because of the failure to establish a real basis of exchange by an agency of this Government, so that in the sale of surplus property we can get back American dollars, or their equivalent, to help pay the national debt, and to pay back to the taxpayers the money they will be called upon to pay in the future.

Mr. FERGUSON. Mr. President, I wish to thank the Senator from Nebraska for his observations, because they are in accord with what the committee found. We recommended on page 21:

The committee believes that United States Treasury representatives and their views on currency problems should have

been accorded greater weight, and that the rates should have been fixed on a more realistic basis with sound, businesslike fiscal practices as the major consideration, rather than political objectives of dubious merit.

Mr. President, the committee in this language condemned political objectives of dubious merit. In the future in our trade with Italy we are going to be faced with the results. Under the Bretton Woods proposals we will feel the result of basing these prices on political considerations and objectives of dubious merit, and not on sound fiscal considerations.

The Senator from Nebraska is correct in his statement in respect to that matter. We are going to feel the result of the prices we have fixed with respect to Britain when we do business with Britain in the future.

Mr. President, the machine tools I was talking about are in large volume. We have attached to this report a statement showing that in the period from March 1941 through March 1945 we furnished \$675,000,000 worth of machine tools to various countries. Yes, Mr. President, under lend-lease we gave them to other nations to help win the war, but the Congress of the United States did not in the lend-lease legislation say, "If you have not used the machines, or if you have used them and they are not worn out, they belong to you." We reserved to the United States of America and to the Congress the right to say later what should be done with the \$675,000,000 worth of machine tools. Thus, Mr. President, it is important to the United States and it is important to the economy of the world what shall be done with these tools.

Mr. President, that brings me to the consideration of another matter. Just prior to the ending of the war I received complaint that we were making new machine tools for one of the Allied Nations which helped in the winning of the war. We looked into the facts as to those machine tools and found very similar tools in storage as surplus in the city of Detroit. Of the 100-inch milling machines I was talking about the RFC had 20 surplus ones. None of them had been disposed of by the RFC. But, Mr. President, Russia came to our authorities and said, "We want tools." The tools required were very similar to the tools we had in storage in Detroit. They were for the making of tanks. It was proper for Russia to make that request under lend-lease. But did any one question our authorities to determine whether we could ship from Detroit the tools which were then in storage there and which had been in storage from September 1943, when the Ford tank plant was closed down? No, Mr. President, no one did. There were \$900,000 worth of machine tools in storage. When we called that matter to the attention of Government officials we received this word after much work had been done on the tools requested:

On April 14th the War Production Board granted an AA-1 rating to Russian requisition No. 43361 with the following conditions: This requisition originally requested twenty 100-inch King boring mills, but the War Production Board authorized this requisition with the proviso that 100-inch Betts boring

mills be substituted for the King machines requested and provided the Betts machines be taken from DPC surplus under negotiations with RFC disposal agent, Detroit, Mich.

The full order of machines for Russia was for 20 machines at \$45,000. We got in on the last 10 machines, which would be \$450,000. Then the Government insisted that they take the second-hand machines and they took them from Detroit.

In other words, Mr. President, it was possible that these second-hand machines which were in storage at Detroit could be used. The new machines ordered would cost the Government \$900,000—almost \$1,000,000.

The entire lend-lease program has not received the consideration it should have received. Every machine tool we have as surplus—and we have millions of dollars worth in this country—should have been checked and thoroughly checked with the procurement agencies to ascertain whether we could send such machine tools, whether they had been partially used or not, to another country to help with the war.

Mr. President, there is another appendix to the report concerning which I wish to speak a few words. That is appendix No. 6:

APPENDIX VI

The amounts provided in the French lend-lease agreements, including both lend-lease and 3-C clause transfers for various types of materials, have been furnished to the committee by the State Department, the terminology used being that of the State Department, as follows:

Mr. President, this lend-lease agreement and 3-C clause provide for \$600,000,000 of machine tools to be sent to France. Let us look at this method of giving out the statements to the public by the State Department. Here is one item, but it is not clear. I want to know what it means. We have not received the answer yet. This was released to the press:

Short-life manufacturing equipment for war production.

I read that again:

Short-life manufacturing equipment for war production.

What is that? Is it machine tools, or what is it? What is France going to furnish for the war with Japan? This item is for 1946. We are going to furnish France "short-life manufacturing equipment for war production" in the amount of \$250,000,000.

Further on we find:

Metal-working machinery, \$100,000,000.

To me, Mr. President, that sounds like machine tools.

Industrial equipment, \$150,000,000.

That sounds like machine tools.

The next item:

Machinery for mines, arsenals, etc., \$100,000,000.

Mr. President, the war in Europe is over. Are we now furnishing tools to France so that she may rearm? If we are, I think the Congress of the United States should determine the matter. But Senators will notice that item "machin-

ery for mines, arsenals, and so forth." In all, we find \$600,000,000 of property which can be considered as machine tools.

Mr. BREWSTER. Mr. President, will the Senator yield?

Mr. FERGUSON. I yield.

Mr. BREWSTER. I believe there are also contained in Exhibit VI two other items, one covering locomotives, \$200,000,000, and the other railway cars, \$100,000,000. Are there not?

Mr. FERGUSON. Yes, Mr. President. The first item is "locomotives, \$200,000,000," and the second is "railroad cars, \$120,000,000."

Mr. BREWSTER. And is it not true that we have a very considerable amount of locomotives and cars there which we have ourselves sent over incident to the movement of our troops?

Mr. FERGUSON. Mr. President, the Senator from Maine is correct. There is a great amount of railroad equipment which we sent over with our Army and the Navy, and it will be used as equipment on the roads over there, and has been so used.

Mr. BROOKS. Mr. President, will the Senator yield?

Mr. FERGUSON. I yield.

Mr. BROOKS. We were informed by the transportation division that we had sent 24,000 boxcars and 1,800 locomotives to Europe to support the Army. That was in number equal to the total boxcar and locomotive strength of the Santa Fe Railroad in the United States of America. The official figures which were given us show that we had over there by the time the war closed 24,000 boxcars and 1,800 locomotives.

Mr. FERGUSON. I am glad to have that contribution from the Senator from Illinois.

In the Marseilles railroad shop prisoners of war were producing railroad cars and assembling them. They had assembled 9,000, and the next month they would assemble 3,000, which would make 12,000 new cars in that one shop alone. I was not reading from the report. That was what I actually saw in Marseilles.

Mr. President, I believe that we should have clear statements by the State Department. I believe that if we are to get anywhere in diplomacy we must be fair, frank, and firm. But I think the time has come when the people ought to know what we are furnishing under lend-lease. They ought to know what we are furnishing under 3-C. By way of explanation in the RECORD at this time, I think it is fair to say that the 3-C agreement means that France will be able to pay for certain articles not considered to be exactly lend-lease, on the basis of 20 percent down and the balance in 30 years, with interest at 2½ percent.

There are some further items. For example, with reference to Belgium, there is an item of \$77,000,000 for short-life equipment for industrial and transport facilities used in war production. There is also an item of \$18,000,000 for agricultural supplies. That is an unusual way to state it, if it means farm machinery.

On the next page, in connection with the Netherlands, there is an item of \$13,-

000,000 for agricultural supplies and equipment; also an item of \$47,000,000 for short-life equipment and repair parts for use in war production and transportation.

Mr. President, I am not saying now that we should not furnish machine tools, but I believe that the time has come in our relations with other countries when we ought to tell the American people just what we are doing. I think the time has come when the agencies should ask the Senate and the House just what our policy is. Our policy is to use lend-lease strictly for lend-lease purposes. We should use the Export-Import Bank for the purposes for which it was established. When we approve the Bretton Woods agreement, we should be sure that we use the stabilization fund for stabilization, and for no other purposes. We should use the bank for the purpose of rehabilitation. There should be loans with the expectation that they will be repaid at some time. If we furnish lend-lease materials, we should obtain an accounting at the end, so that the American people and all people of the world may know what has been furnished in connection with lend-lease. When we receive reverse lend-lease, we should know exactly the valuation in American dollars of what we receive. Our Army and Navy and the various other agencies should not treat reverse lend-lease lightly. They should keep track of it, so that at the end we may know what we have done in this war effort.

IDA E. LAURIE AND ZELLA RICKARD

The PRESIDING OFFICER (Mr. TAYLOR in the chair) laid before the Senate the amendment of the House of Representatives to the bill (S. 134) for the relief of Ida E. Laurie and Zella Rickard, which was on page 2, line 2, to strike out "or about May 7, 1943" and insert "May 8, 1943."

Mr. CORDON. Mr. President, I move that the Senate concur in the amendment of the House. The amendment is simply a correction of a date in the bill as it passed the Senate.

The motion was agreed to.

BRIDGE ACROSS COLUMBIA RIVER IN CLATSOP COUNTY, OREG.

The PRESIDING OFFICER laid before the Senate the amendments of the House of Representatives to the bill (S. 574) to extend the times for commencing and completing the construction of a bridge across the Columbia River in Clatsop County, Oregon, which were in line 10, to strike out "1945" and insert "1943"; in line 11, to strike out "two" and insert "one", and in the same line, to strike out "four" and insert "three."

Mr. CORDON. Mr. President, I have conferred with the chairman of the Committee on Commerce, the Senator from North Carolina [Mr. BAILEY], which had this bill under consideration, and I have his authority to move that the Senate now concur in the amendments made by the House.

The motion was agreed to.

PROPOSED INVESTIGATION OF OPA ACTIVITIES

Mr. CAPEHART. Mr. President, on behalf of the Senator from Maryland

[Mr. TYDINGS] and myself I submit a resolution and ask that it be read at this point.

The PRESIDING OFFICER. Without objection, the resolution will be read.

The resolution (S. Res. 153) was read, as follows:

Resolved, That a special committee to be composed of five Senators appointed by the President of the Senate is authorized and directed to make a full and complete study and investigation with respect to the policies and activities of the Office of Price Administration and the Office of Economic Stabilization in establishing prices for merchandise intended for civilian use and other commodities, with a view to ascertaining (1) what policies and methods are being followed in the determination of such prices, (2) whether such policies and methods are desirable and proper, and (3) the effect of such policies and methods (a) on the production and the supply of civilian goods and (b) on reconversion to a peace economy, the expansion of industry, and the increase or decrease of employment. The committee shall report to the Senate not later than 4 months after the date of approval of this resolution and the results of its study and investigation, together with such recommendations as to legislation as it may deem advisable.

For the purposes of this resolution the committee, or any duly authorized subcommittee thereof, is authorized to hold such hearings, to sit and act at such times and places during the sessions, recesses, and adjourned periods of the Senate in the Seventy-ninth Congress, to employ such experts, and such clerical, stenographic, and other assistants, to require by subpoena or otherwise the attendance of such witnesses and the production of such correspondence, books, papers, and documents, to administer such oaths, to take such testimony, and to make such expenditures, as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per hundred words. The expenses of the committee, which shall not exceed \$15,000 shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman.

The PRESIDING OFFICER. Does the Senator desire to have the resolution referred to a committee?

Mr. CAPEHART. Yes.

The PRESIDING OFFICER. The resolution will be appropriately referred.

The resolution (S. Res. 153), submitted by Mr. CAPEHART (for himself and Mr. TYDINGS), was referred to the Committee on Banking and Currency.

Mr. CAPEHART. Mr. President, first, I wish to state that the purpose of this resolution is not to do the following things:

First. It is not a "witch hunt."

Second. It is not intended to embarrass the administration.

Third. It certainly is not intended to be political.

Fourth. It is not intended in any way to cripple or eliminate the OPA.

Rather, Mr. President, the purpose of this resolution is to try to do—and I believe it will do—the following things:

First. Help every American, because OPA touches the lives of all Americans.

Second. Be of great help to the President of the United States and to the Administrator of OPA.

Third. Find a way to encourage and help employment which is so vital to some 50,000,000 American wage earners.

Fourth. Assist in establishing a philosophy of plenty rather than a philosophy of scarcity.

Fifth. Help establish a peacetime prosperity.

Sixth. Aid in establishing a price-fixing policy that will encourage employers, farmers and producers to manufacture, produce, and grow more—thereby creating more jobs.

Mr. President, it is my firm conviction that in the success or failure of the OPA in its price fixing policies in respect to civilian merchandise during our reconversion period lies the difference between a strong, prosperous, healthy Nation when this war is over, and one that will be thrown into confusion, chaos, and widespread unemployment.

Permit me to say with all the sincerity at my command that I know of no problem so complex and difficult as the administration and execution of the OPA Act. Congress has given OPA the responsibility of setting the prices on literally thousands and thousands of civilian items of merchandise. These prices affect, either for good or bad, the following:

First. Number of people that will be gainfully employed.

Second. Our national income.

Third. Profits of all those in business.

Fourth. Prosperity of our farmers.

Fifth. Whether wage earners enjoy high wages or low wages.

Sixth. The standard of living of all our people.

Seventh. The amount of taxes available to our Federal Government.

Mr. President, if the OPA price-fixing policies deny the manufacturer, the businessman, and the farmer a legitimate profit, a small profit, or any profit at all, then I should like to ask Members of this body the following questions:

First. Who is going to employ some 50,000,000 Americans?

Second. What will happen to the one hundred and twenty to one hundred and forty billion dollars national income that most of our economists claim we must enjoy after the war in order to survive as a prosperous Nation?

Third. Where is the Federal Government going to secure twenty to twenty-five billion dollars in taxes, which every expert has warned we must expect in order to maintain our Federal Government during peacetimes?

Mr. President, will someone please answer the following questions?

First. How can this Nation survive on an eighty to eighty-five billion dollar income with a twenty to twenty-five billion dollar tax load?

Second. Will someone please tell me how we can maintain a one hundred twenty to one hundred forty billion-dollar income without high wages, high prices for farm products, and long profits to our manufacturers and businessmen? It is these groups that earn and produce the national income, and it is these groups that must pay the twenty to twenty-five billion dollars in taxes.

Mr. President, I shall take but little time. There is not a Member of the United States Senate who could not spend a great deal of time talking about the many, many complaints he receives

almost daily from his constituents in every nook and corner of his own particular State.

I could stand here today, Mr. President, and fill the CONGRESSIONAL RECORD with complaints against the OPA, as could any other Senator. But, Mr. President, that is not the purpose of my remarks in respect to my resolution. Rather, my purpose is to set up a committee within the Senate that can advise with and be helpful to the Administrator of the OPA.

It is my profound belief that the United States Senate owes a responsibility to the future and to the well-being of our 135,000,000 people, to advise with the Administrator of OPA in the drafting and enforcement of a sane, sensible, practical, workable price-fixing policy in respect to our national economy. I respectfully and earnestly urge that every Senator support this resolution and insist upon its immediate adoption.

I do this in the name of all of our people who are hoping and praying that our last enemy will soon be decisively and completely defeated, and that they may then return to a peacetime economy; and that our Government through wise counsel and policies will provide a peacetime economy, through private enterprise, which will insure full employment, high wages, profits to our farmers and business interests, and the maintenance of a sound financial policy, a high national income, and a reasonable and adequate tax structure.

Mr. President, it is impossible to do the things the American people are praying for unless the best possible judgment and the best possible practices are adopted and used in connection with OPA's price-fixing policies in respect to all civilian merchandise.

Some of the issues to be determined by the committee I am suggesting are as follows:

First. Whether OPA's methods of establishing maximum prices are stifling production and producing unemployment.

Second. Whether OPA's methods of establishing maximum prices conform to the requirements of the Price Control Act that maximum prices must be "generally fair and equitable"; or whether, on the contrary, its methods are based on its own notions of limiting profits.

Third. Whether OPA's methods of establishing maximum profits on the basis of aggregate industry earnings result in a fair determination of costs throughout a particular industry; or whether, on the contrary, they result in an unbalanced estimate of costs that are valid only for a limited number of selected companies.

Fourth. Whether OPA's methods of establishing maximum prices result in monopolies in particular industries through price ceilings that are favorable to a few large business firms, but detrimental to thousands of smaller business firms.

Fifth. Whether OPA's methods of establishing maximum prices require the absorption of cost increases and squeeze wholesalers and distributors out of business.

Sixth. Whether OPA's methods of establishing maximum prices conform to

the requirement of Price Control Act that costs shall be determined not otherwise than "in accordance with established accounting methods."

Seventh. Whether OPA's methods of establishing maximum prices have permitted adequate consideration of hardships imposed upon individual business firms dealing in needed civilian merchandise.

Eighth. Whether OPA's methods of establishing maximum prices have caused losses in production or employment, through administrative delays in establishing ceilings or in adjusting ceilings.

Ninth. Whether OPA's methods of establishing maximum prices are based on the real facts of current costs of material and labor; or whether, on the contrary, they are based on OPA's imagination of what certain things should cost if such things could be bought.

Tenth. Whether OPA's methods of establishing maximum prices have diverted business firms from dealing in lines of needed civilian merchandise into other lines where profits are possible.

In as constructive a way as I know how, and with the best interests of our people at heart, Mr. President, I submit this resolution and urge its speedy adoption.

Mr. MORSE. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. DONNELL in the chair). Does the Senator from Indiana yield to the Senator from Oregon?

Mr. CAPEHART. I am glad to yield.

Mr. MORSE. I wish to say to the Senator that I appreciate very much the discussion of OPA which he has presented to the Senate this afternoon. Mr. President, I should like to have unanimous consent to have printed in the RECORD, as a part of the very brief remarks which I now wish to make, a statement regarding the western lamb-marketing problem as it relates to the OPA. The statement was presented by R. C. Burkhart, president of the Western Oregon Livestock Association, to the Secretary of Agriculture, at Seattle, Wash., on June 14, 1945. I also submit a statement prepared by the Oregon State Department of Agriculture relative to the livestock situation in Oregon and an editorial from the Portland Journal.

There being no objection, the statements and editorial were ordered to be printed in the RECORD, as follows:

STATEMENT ON WESTERN OREGON LAMB MARKETING

(Presented by R. C. Burkhart, president, Western Oregon Livestock Association, to the Secretary of Agriculture, Seattle, Wash., June 14, 1945)

MEAT TO SELL

Western Oregon has meat to sell. News accounts indicate that the public wants more meat. Western Oregon sheepmen are satisfied with any live-animal prices which are based upon present ceiling or near ceiling prices for dressed lamb.

WESTERN OREGON PRODUCTION

Western Oregon will have to market from 40,000 to 55,000 lambs and sheep per month for the next 3 or 4 months. Roughly 10 percent of this amount will be old ewes. The remainder will be lambs with some short yearlings.

MUST SELL WHEN READY

Milk-fed lambs, when ready, must go to market within the short period of 2 to 3 weeks or a rapid loss in condition results.

Western Oregon feeder lambs have proved uneconomical in the feed lot, necessitating carrying the bulk of the lambs not marketed when they are milk fat over to yearlings. This results in heavy death and losses and in uneconomical use of feed critically needed for other livestock. Part of the 1945 lamb problem is the 1944 lambs that could not be marketed in 1944.

Western Oregon lambs are pasture lambs that are too soft to stand shipment to Eastern markets alive. No lamb carcass will keep long enough to stand shipping across the continent in the dressed form.

OREGON MARKETS FROZEN

The killing plants in Oregon that do not operate under Federal inspection will have a total possible quota, under existing regulations, of 3,107 for July, 3,218 for August, and 3,607 for September. The plants operating under Federal inspection are not limited by quotas, but the amount killed during the summer in 1944 ranged from 13,000 to 14,000. These plants have claimed for 2 years that they cannot get labor to increase their kill and as this is written the situation is no better.

During the past 2 years, various governmental agencies have repeatedly promised this association that the federally inspected kill in Oregon would be increased. The fact remains, however, that the Federally inspected kill has not been increased and that no means of increasing that kill is now in sight.

This failure of the federally inspected plants to increase their kill, combined with the quotas placed upon the kill of the plants not under Federal inspection, serves to freeze the entire Oregon kill at the very time when the largest possible slaughter is desired.

THE CALIFORNIA AND WASHINGTON MOVEMENT

The slaughtering plants in Oregon cannot handle all the western Oregon lambs and they are not normally expected to do so. We usually expect to ship 20,000-25,000 lambs a month during the summer to California and from 3,000-8,000 a month to Puget Sound points.

The ability of western Oregon to move lambs to California depends upon a variety of factors: quotas, ration points, labor conditions in killing plants and transportation. Transportation to California has been particularly difficult and subject to much delay. Growers are frequently unable to get their lambs moved until it is too late. Lambs shipped by railroad to San Francisco are routed by Eugene and Klamath Falls, even from Douglas, Coos, and Curry Counties. The service cannot be otherwise than slow. Rail shipments from Roseburg or North Bend to San Francisco now require a minimum of 5 days and from Coquille, Bendon, or Gold Beach, 6 to 7 days. The shrinkage resulting from this long time en route is very heavy.

Truck transportation to California is subject to all of the difficulties involved in truck transportation everywhere plus the conflict in truck regulations between California and Oregon. These differences in regulations might not be so important when the haulers are looking for business, but when they already have more than they can do and are in a position to pick and choose, their decisions will be seriously influenced by slight irritations.

Shipments to the Puget Sound points are much smaller than to California. Killers there are subject to the same difficulties of labor, quotas, ration points, and so forth, but transportation has been less difficult since the routing is direct. Any slowing down of the movement of lambs to out-of-State points increases the pressure on the Oregon markets, but as previously indicated, the Oregon outlet under present regulations

is frozen and cannot increase regardless of pressure.

LAMB PRICES

Lambs in Portland under existing prices for the meat and pelts are worth from \$12 for utilities up to \$16 for choice. (See Oregon Experiment Station Circular 317). The ceiling prices on dressed carcasses has not been changed since June 7, 1943.

The prices of lambs in Portland during the summer months of 1944 and of 1943 were for the most part about \$4 per hundred pounds below the prices which were justified by the prices of meat and pelts. The prices for 1945 are now about \$2 per hundred pounds below the prices justified by the prices on meats and pelts with every indication of going lower as the season advances.

STOCKMEN'S RECOMMENDATION

The position of the Western Oregon Livestock Association may be stated briefly as follows:

1. That in view of existing shortages of meat there is no justification for frozen market outlets or for forcing producers to sell at prices far below the value of the dressed product.

2. That since the Federal Government has undertaken to regulate the marketing and slaughter of meat animals, it is the duty of the Federal Government to make such adjustments in quotas, ration points, and buying policies as may be necessary in order to permit the marketing and slaughter of lambs when they are ready and to permit free competition for these lambs by all killers who need them in their trade.

3. That the Federal Government should recognize frankly that its efforts of the past 2 years to increase the kill of plants in Oregon under Federal inspection have failed to produce the desired increase and that policies for the present calendar years should be based upon the assumption that the total Federally inspected kill in Oregon will not be materially different from that of 1944 or 1943.

4. The disastrous lamb market congestions which occurred in 1943 and 1944 should not be permitted to occur again in 1945.

5. That in view of the variety of complicated conditions and markets involved, no one adjustment may be expected to meet the situation in all places and at all times. On the contrary, the Government must adopt a flexible up-to-the-minute policy that will not only meet but anticipate the various situations as they arise. The movement of live animals to market changes from week to week, but the changes follow the calendar rather closely and can be forecast with much accuracy.

6. That the producers are satisfied with existing ceiling prices on dressed meats but would like to receive live animal prices that are in line with these ceiling prices on meats.

7. That Oregon producers have lambs to sell and that, in view of publicly announced needs of Army, Navy, lend-lease and civilians, these lambs should be permitted to move freely in consumptive channels when they are in the proper condition for market.

STATEMENT OF THE OREGON LIVESTOCK SITUATION

(Prepared by the Oregon State Department of Agriculture)

OREGON PRODUCES A SURPLUS OF MEAT

According to the United States Department of Agriculture, Bureau of Agriculture Statistics, there were on farms January 1 each year as follows:

	1930	1935	1940	1945
All beef cattle....	423,000	535,000	629,000	746,000
All dairy cattle....	334,000	393,000	383,000	436,000
Hogs.....	195,000	152,000	274,000	194,000
Lambs and sheep.....	2,576,000	2,497,000	1,975,000	1,082,000

With a population of slightly in excess of 1,100,000 as of November 1943—and somewhat in excess thereof as of now—it is obvious that Oregon is producing a heavy surplus of meat. It is likewise obvious that in the case of cattle, including dairy cattle, there has been a backing up on farms since 1940. We are carrying more livestock at present than we should with safety when livestock numbers are related to the available feed supply. Our hay acreage harvested has reduced from 1,151,000 acres in 1930 to 1,090,000 acres in 1944, while our hay production has reduced from 1,979,000 tons in 1930 to 1,862,000 tons in 1944. The 1944 production was more than average per acre of hay harvested because of extremely favorable crop year. Likewise, the amount of livestock carried on the pasture the past 3 years has been heavier than normally due to extremely favorable crop years. Oregon must export meat in the form of dressed beef, hogs, and lambs, as well as in the form of live animals.

PRESENT REGULATIONS CREATE A HARDSHIP IN OREGON

The reestablishing of the slaughter quota system by the Office of Price Administration creates a situation with respect to the movement of Oregon livestock which is not common to other States. The stated purpose of the slaughter quota system is to channel meat through federally inspected slaughter plants. There are only 8 such plants in Oregon, mostly concentrated in or near the Portland area, while there are approximately 400 class 2 slaughterers who slaughter meat animals in approximately 175 plants well distributed over the State. Under normal conditions about 70 percent of the total slaughtering done in Oregon is accomplished in the locally situated, nonfederally inspected plants. Under rationing and wartime restrictions, this figure is estimated to be closer to 60 percent. Besides this, a considerable amount of farm slaughter has been done throughout the State under normal conditions. The recent slaughter quota regulations established by the Office of Price Administration effectively stopped farm slaughter and limit nonfederally inspected plants to fixed percentages of their 1944 kill. For example, if a local plant killed no lambs in 1944, it has no quota and can kill no lambs in 1945, although it is reported that adjustments will be made in situations of that character. It may be expected, however, that slaughterers will be hesitant to apply for adjustments because of red tape and difficulties—real or imagined—together with their general dislike of OPA policies. The result of the establishment of fixed slaughter quota against nonfederally inspected plants creates a serious problem as far as Oregon producers are concerned. For 2 years the federally inspected plants, through their management, had generally taken the position that they could not increase their kill for lack of labor. If this is true, and local plants are forced to a reduced kill, obviously there will be a backing up of livestock in producers' hands. Furthermore, in western Oregon especially, there are many small producers having from one to one-half dozen animals at different times of the year available for market. Because of transportation difficulties and the small numbers in each lot, the Portland market is effectively closed to such producers. If they have no local market because of slaughter restrictions, they will either discontinue producing or have their production back up on their farms, creating a surplus of live animals during a period of meat shortage; and under conditions of surplus, the producer is at the mercy of the buyer and must take whatever price is offered. Another factor of importance in this picture is that much of the cattle moving to market during the fall and early winter months is of cutter, canning, and utility grades. This class of meats cannot possibly be shipped out of State in the absence of available market

here. Neither is the capacity of federally inspected plants great enough to absorb the overage which would occur. The logical conclusion is a demoralizing market picture would result. To a considerable degree, the same conclusion may be drawn with respect to hogs, although Oregon hog production has dropped very materially within the past year due to the failure of the Government to maintain its originally announced support prices. Further, producers in outlying areas are accustomed to market their livestock locally and do not have facilities for transporting them to Portland or other distant markets. In sum and substance, the program of reducing class 2 slaughterers constitutes an obstruction to marketing and tends to depress producer prices.

RECENTLY ANNOUNCED OPA REGULATIONS WILL EFFECTIVELY STOP REMAINING CLASS 2 SLAUGHTER OPERATIONS

RMFR 169-1, amendment 55, provides that meat distributors having live animals to slaughter and taking them to a slaughter plant for custom killing shall receive from the custom killer fixed rates per 100 pounds, hot dressed weight basis for each grade and slaughtered in accordance with its grade and weight. In return the slaughterer retains the hide together with the edible and non-edible byproducts, when such slaughterer has rendering facilities. Different rates are established for the slaughterer who does not have such rendering facilities. It has long been the custom for slaughterers to do custom killing at established rates varying from \$1.50 to \$5 per beef animal with the average approximately \$2.75. These rates were charged the owner of the animals and the slaughterer retained the hide and nonedible byproducts. The edible products went to the owner of the animal together with the dressed carcass. Under the new regulations, the slaughterers of the type common to Oregon will lose money and cannot, therefore, do custom killing. The result is a complete break-down in local meat distribution, contributing further to the backing up of supplies in producers' hands. Local meat shops and restaurants are already closing in substantial numbers. There appears evidence that the large federally inspected meat dealers—notably Swift and Armour—who formerly distributed meat throughout the State, are not now distributing unfabricated beef, preferring to utilize their labor in developing fabricated meats in order to take advantage of the higher markets. The entire burden of local supply thus falls on local plants. Hospitals, logging camps, and various commissaries are unable to secure meats for which they have available points. During our summer and fall seasons, there is a considerable amount of transient agricultural labor in our State. Most of these people eat in restaurants or in group-feeding establishments. A break-down in meat distribution will make it all but impossible to feed these people, particularly as retail meat shops and restaurants are now closing. Furthermore, the quotas available to local slaughterers appear at this time to be insufficient to supply legitimate and lawful demand.

MANPOWER AND SLAUGHTER INDUSTRY

The federally inspected plants are understood to be short of manpower and for that reason among others are unable to increase their slaughter capacity. On the other hand, the Butchers' Workmen Union, Local No. 555, of the A. F. of L., is reported by their secretary, Mr. Lyle Auger, to be working 30 to 40 hours per week. With an increase to 48 hours per week, there would be a 30-percent increase in production with the same manpower as under the present out put. There have been observations to the effect that the larger packers' policy is to back livestock up in producers' hands so as to be able to purchase their supplies at prices substantially below the ceilings. One large plant in Portland is reported

to have a wage scale which will not permit the employ of additional help in a high-wage area, and as being reluctant to open this question because it would affect the wage scale in their plants located in other areas throughout the Nation. This situation bears investigation.

WESTERN OREGON LAMB SITUATION

Annual lamb production in western Oregon approximates 200,000 head. These lambs reach their prime normally during the months of June, July, and August, but this year will probably not start moving in volume until about July 1, the season being from late June to mid-September. These are milk-fed lambs raised on lush pastures and must move to market when ready or suffer a rapid loss in conditions. These lambs have proven uneconomical in the feed lot, necessitating carrying the bulk of the lambs not marketed when ready over to yearlings. This results in heavy death losses and in uneconomical use of feed badly needed by other livestock. Likewise, it discourages production. Part of the 1945 lamb problem are the 1944 lambs that could not be moved during that year. Western Oregon lambs are pasture lambs that are too soft to stand distant shipment alive. Neither will these lamb carcasses stand shipment across the continent in dressed form. Normally they are marketed entirely on the west coast. The volume to be marketed during the next 3 months will approximate 50,000 per month. About 10 percent of this amount will be old ewes, the remainder mostly lambs, with some short yearlings. Under existing regulations, killing plants in Oregon not operating under Federal inspection will have a total possible quota of about 10,000 head for the 3-month marketing period. While the Federal plants are not limited by quota, their kill in 1944 ranged from 13 to 14,000 head per month during the period when these lambs should have gone to market. Thus there is a surplus of approximately 35,000 head per month of lambs, together with some old ewes and short yearlings in western Oregon. The problem is to get these animals slaughtered when they are ready in order that there shall be the maximum production of meat, which the public wants and can use. Under normal conditions, twenty to twenty-five thousand lambs per month during the marketing season are moved to California and some three to eight thousand per month to Puget Sound points. In the face of existing meat shortages, probably a greater amount than heretofore can be utilized locally, thus reducing the necessity for out shipments. Movement to out-of-State points likewise at this time depends upon a variety of factors—transportation, quotas, ration points, and labor conditions in out-of-State markets. Transportation to California is particularly difficult, subject to excessive delay. From some points in southern Oregon, shipments to San Francisco take from 7 to 10 days, resulting in shrinkage that makes such movement uneconomical. However, the Oregon outlet under present regulations is frozen and cannot increase regardless of pressure. Recent statements by the War Food Administration that Army purchases will take on lambs offered is not an answer. The Army will purchase from only federally inspected plants, and their capacity based upon the past 2 years' experience is insufficient by at least 35,000 head per month during the 3-month marketing period. Existing lamb prices are likewise not equitable. According to the Oregon Experiment Station Circular No. 317, lambs in Portland, under existing prices for meats and pelts, are worth from \$12 to \$16 per hundredweight, and the ceiling prices on dressed carcasses have not been changed since June 7, 1943. Lamb prices in Portland during the summer months of 1943 and 1944 were for the most part about \$4 per 100 pounds below the

prices which were justified by the price of meats and pelts. The present price is about \$2 per 100 pounds below the justified price, and as the market becomes glutted, it may be expected to go even below those prices existing during 1943 and 1944.

CORRECTIVE MEASURES NECESSARY

One of the extreme difficulties of the Oregon livestock industry in operating under wartime regulations has been the inflexibility of those regulations and the time element involved in securing adjustments of regulations imposing hardships because of local conditions. It would seem logical that national policies might be established in Washington and that under such policies regional and district offices of the various control agencies be authorized to make on-the-spot adjustments where national policies work local hardships and where such adjustments obviously would result in more food being available not only to our military forces but also to our civilian population, with the further effect of encouraging producers to operate at the maximum of their capacities. Immediate changes necessary are adjustments of quotas applicable to nonfederally inspected plants. It would seem that with the veterinary personnel in this State, through the United States Department of Agriculture, Bureau of Animal Industry, and through local veterinarians accredited by the United States Department of Agriculture, Bureau of Animal Industry, that some of the nonfederally inspected plants could kill for interstate shipment for Army purchase. There is no reason why such a program could not be worked out. The lamb situation is essentially a regional matter which should be possible of solution through the regional office of OPA. The announced RMFR 169-1, amendment 55, should be rescinded. There are many other small matters needing correction. For instance, ceiling price on hogs at Portland is \$15.75 at the stockyards. Local killers situated outside of Portland, however, are not permitted to buy hogs at the Portland yards above the local ceiling, which in the Salem area, for example, is \$15.35. Obviously, therefore, no hogs move from the Portland yard to local killers throughout the State even though this movement is legitimate and lawful. It would also mean reasonable that OPA and other Federal agencies should have closer contacts and seek advice and counsel from State agricultural departments and organized agricultural groups who are familiar with local conditions because of long experience with them. OPA particularly has apparently lacked confidence in any but its hand-picked advisers; and if OPA's actions are indicative, its advisers are lacking in understanding and information of the problems with which they are dealing.

The long-time interest of agriculture demands the retention of price control. The foolish and unworkable practices of the price-control agency has seriously impaired the confidence of consumers and producers alike in this agency. Unless corrective steps are taken soon, it appears the growing undercurrent of resentment may result in the premature abolition of price control. The obvious result would be a skyrocketing of prices and a serious degree of inflation. Under such a program, agriculture has more to lose than most other segments of the national economy for the reason that it is reasonable to assume agricultural production will reach consumer demand much more rapidly than industrial production, with a resultant discrepancy in agricultural prices in relation to industrial prices. Thus the effective purchasing power of the agricultural segment of our economy would be out of balance with the industrial purchasing power; and at least one of the factors which contributed to the depression of 1931-40 would again be set in motion. It is, therefore, most important to agriculture that abuses of price control and the obvious

foolish and impracticable regulations imposed by the price-control agency be immediately corrected.

Another factor of long-range importance to agriculture is the policy of the Federal Government to maintain artificially low consumer prices through the use of subsidies. The consuming public generally is reported to have the opinion that these are producer subsidies. It is not reasonable to suppose that at the conclusion of the war, with high taxes, the taxpaying public will stand for a continuing handout to agriculture (the public apparently has the opinion that the subsidy program is a handout to agriculture). Therefore the agricultural policy on the part of the Federal Government should include steps pointing toward elimination of all subsidies programs through a series of gradual price adjustments to permit the accomplishment of such elimination. The sudden shock of subsidy elimination would have far-reaching and adverse repercussion in agriculture and could be expected to produce an unfavorable producer-consumer relationship. It is not too early to begin now to eliminate subsidies, particularly as consumer purchasing power is bringing increasing pressure against price control.

[From the Oregon Daily Journal, Portland, Oreg.]

MEAT FOR THE TABLE

News from Washington indicates that perhaps even the brass hats of bureaucracy can turn their faces from the darkness of preformed opinion to the bright light of fact. At least we have assurance from Senators CORBON and MORSE that Economic Stabilizer William H. Davis has been appealed to and has given assurance that the fiasco of the last 2 years over the slaughter of "soft lambs" will not be repeated.

Sheepmen of the Northwest have lost heavily during these years because of the unduly high point values of lamb, maintained at a level beyond the ability of householders to buy. Unwilling to be caught again with supplies of slaughtered but nonsalable meat, the whole industry called upon the Government for relief. The new Secretary of Agriculture lately visited the Northwest and learned, first-hand, of the tragedy which the OPA and WFA could have averted but did not because of unwillingness to modify for this locality a directive that covered less favored areas.

Just what the actual lamb situation will be must depend upon the wisdom of Mr. Davis, who has taken the trouble of conferring with persons who understand the problems of the sheepmen and realize the importance of correct point values and distributive measures from the standpoint of the public. This was not done by the heads of the OPA and WFA, in spite of submitted evidence that lambs ready for slaughter were growing fatter and heavier while lamb already slaughtered was spoiling because meat-hungry humans could not make their red points stretch to the artificial token value set upon it.

Coincidentally comes word from Washington that the OPA is to revise the pricing method, whereby custom slaughterers may operate profitably. It is believed that this will provide more meat of all kinds—in effect, breaking the deadlock whereby killers simply have not operated. This applies chiefly to various grades of beef. The OPA meat expert for this area informed slaughterers that "adjustments must inevitably be made to fit a particular section"—a principle of economics which apparently had not occurred to the regulatory authority hitherto.

All this should add up to more meat for the home table.

Mr. MORSE. Mr. President, I should like to say that although the Senate has heard me before on the Oregon lamb

problem it may be necessary for me at a later date to speak again at considerable length on the problem, because I have been busily engaged in recent days in a very thorough analysis of OPA practices as they relate to the Oregon lamb marketing problem. I find that OPA policies in connection with this problem are just as unsatisfactory as they were at the time when I first addressed the Senate on the issue.

However, Mr. President, my confidence in the fairness of President Truman and of the new Secretary of Agriculture, Mr. Anderson, is so complete that I am satisfied that in a very short time a satisfactory solution of the Oregon lamb problem will be forthcoming. I believe it will be a solution which will do the thing which needs to be done, namely, to solve the problem in such a way that the Oregon lamb producers will not suffer the great losses which the OPA has foisted upon them for the past 2 years.

So, Mr. President, I put this material into the Record for future reference, because it sets forth some basic facts which must be considered by the OPA and by the Secretary of Agriculture if fair dealing is to be done in correcting this injustice of which my colleague the able senior Senator from Oregon [Mr. CORBON] and I have been complaining.

I close my remarks by inviting attention to three steps which will have to be taken, in my judgment, in order to correct the injustice. We will have to face the fact that the marketing of Oregon lamb, approximating 250,000 head, represents a local problem, inasmuch as these lambs cannot be shipped. They cannot stand shipment because of the nature of the feed in the Willamette Valley which produces what is known as a soft lamb. These lambs are of exceedingly high meat quality, but when shipped the loss from shrinkage is so great that they cannot be shipped at a profit. Therefore, they must be slaughtered and consumed locally. To do so it will be necessary to lift the ration points for a period of from 60 to 90 days. I do not believe the problem can be solved by any other method and at the same time protect the producers of those lambs from financial losses.

Second, the slaughterhouse quota will have to be lifted in order that the lambs may be slaughtered locally. The reports point out that it will be impossible to slaughter these lambs unless the slaughterhouse quotas are lifted.

Third, the Government, in my judgment, must stand ready to buy the necessary quantities of these lambs at ceiling prices if the producers of the lambs are to be protected from sacrifice sales below ceiling prices.

I do not think it will be necessary, and I hope it will not be necessary, for me to take the time of the Senate at a later date with a long detailed account of the gross incompetency which has characterized the OPA's conduct throughout the handling of the Oregon lamb problem for the past 2 years. But, if it becomes necessary for me to do so, Mr. President, I shall do so because I think it must be made a cause celebre. I believe that we must demonstrate that when an injus-

tice such as the one to which I have referred is brought to light, with all its supporting facts which cannot be controverted, our Government will see to it that such an injustice is righted. Hence I have put the material into the Record for the consideration of the Senate and for further reference if necessary.

I repeat that my confidence in the fairness of President Truman and of the Secretary of Agriculture is so complete that I believe they will not permit this injustice to continue for long.

Mr. WHERRY. Mr. President, will the Senator from Indiana yield?

Mr. CAPEHART. I yield.

Mr. WHERRY. I ask the Senator from Indiana if the resolution asking for an investigation of the activities of the Office of Price Administration and of the Office of Economic Stabilization in establishing prices of merchandise, including also an investigation of the food situation in this country, as well as an investigation into the production not only of meat which is being sold, but meat which is in the process of production in the feed yards.

Mr. CAPEHART. The resolution is intended to cover an investigation into the OPA's price-fixing policies which have to do not only with food, but with all civilian merchandise. The investigation would cover all civilian merchandise, including food, on which the OPA fixes prices.

Mr. WHERRY. I thank the Senator. Mr. HICKENLOOPER. Mr. President, will the Senator yield?

Mr. CAPEHART. I yield.

Mr. HICKENLOOPER. I was about to ask the Senator from Indiana approximately the same question which was asked by the Senator from Nebraska. I am happy to hear him say that the purpose of the resolution is to make a fair and honest inquiry into all the various fields to which the Senator has referred.

If I may consume a few moments of the time of the Senate I should like to read into the Record a statement appearing in the current issue of Life magazine with regard to what is happening in the meat situation in this country.

The article to which I refer is accompanied by some very fine pictures of cattle production. On page 74 of the magazine is a statement entitled "The Feeders Have Taken Bad Beating."

A short paragraph or two of the statement reads as follows:

A feeder figures that 9 pounds of corn put 1 pound of meat on a steer. When, cattle raisers and packers. But the men hardest hit by regulation were the thousands of United States feed-lot operators. Cattle raisers produced not meat but "frames for meat." It is scientific feeding that turns a 700-pound "grasser" into a square-built, heavily fleshed 1,200 pound steer. This "finishing," which produces the choice roasts and sirloins, is done by feeder-lot operators, the full-time commercial feeders like Arthur Clausen and the farm feeder like Hans Neilsen who fatten cattle as a side line to farming.

A feeder figures that nine pounds of corn put one pound of meat on a steer. When, as happened last year because of OPA's ceiling juggling, nine pounds of corn cost more than a feeder gets for a pound of flesh, he stops feeding. Then most young

steers are marketed without finishing—utility beef. This greatly reduces the meat supply, for a finished steer produces as much usable meat as two grassers. Last year many feeders stopped operations but the recent adjustment of corn-meat ceiling inequalities are encouraging some to resume.

That article, Mr. President, points out the very thing about which the Senator from Nebraska has spoken on this floor from time to time, prior to and following the hearings on the bill extending the OPA legislation. Other Senators, including the Senator from Oklahoma, have also repeatedly discussed the same subject. The price-juggling practices of OPA are resulting in a very substantially reduced poundage of meat available to the American public.

Mr. President, this matter is a public one and of vital interest to the people who must have a diet upon which they can exist. Time and again the OPA has brought magnificent charts into the committee rooms and, at Government expense, has published such charts as propaganda of its claimed success throughout the United States. The propaganda has shown, for example, the number of cattle walking to market. It makes little difference, Mr. President, how many cattle walk to market, but it does make a difference how many pounds of meat reach the market for the consumption of the American public. The article which I have read points out very clearly that because of the discouragement of feeder operations it requires two grassers, as they are called, to equal the poundage of meat furnished by one well-finished steer.

On page 75 of the magazine appears a picture of what I am sure the Senators from Indiana, Oklahoma, and Nebraska will recognize as the Midwest corn-cattle-hog farmer. His name is Hans Neilsen. On the same page, under a picture illustrating what is taking place in the feed-belt region, is the following statement:

Stalwart Hans Neilsen, shown here before his corncrib, is a farm feeder near Fremont, Nebr. He feeds a few hundred head each year in addition to his farm work, whereas commercial feeders may feed thousands. Neilsen, who is 56 years old, has been feeding cattle for 20 years. This season he bought 133 head—

Mr. President, if these figures are analyzed, it will be found that they are exceedingly significant and give substantial reasons for some of the conditions now existing in the Midwest.

I continue reading—
paying an average price of \$104.94 each. To fatten them from 792 to 1,096 pounds, he gave each 3,580 pounds of corn, 1,350 of alfalfa, 180 of protein, plus lime and salt—\$86.99 worth in all to each animal. Other costs—labor, taxes, and the like—amounted to \$17.52 per head. He sold for an average of only \$179.20 per head. Wet, muddy weather reduced the expected gain in weight by almost a pound a day. Neilsen thus lost \$30.25 per head.

There is the answer in great measure to the meat shortage in this country. With more meat on the hoof than we have ever had before in the history of the country, no feeder, no farmer, whether he feeds as an incident to a diversified farming operation or whether

he feeds as a principal activity, can continue in business long and lose \$30.25 a head on every head of cattle he markets, unless he should go into the black market and accept the black-market prices from the black-market operators who are still running rampant over this country like a swarm of consuming locusts.

I believe the resolution of the Senator from Indiana [Mr. CAPEHART] is timely. I do not believe there is anyone in this Chamber who would today too vigorously advocate the complete abolition of OPA. I think the overwhelming number of Members of the Senate is convinced that OPA and a reasonable and practical control of prices in this time of emergency are necessary; but I do believe that there is an increasing number of people who believe that the incomprehensible present policies and philosophies of the OPA should be seriously looked into in the interest of American economy and especially in the interest of reconversion, the employment of labor, and the encouragement to those who would look to the future as one of a growing America and a growing independent economy.

EXECUTIVE SESSION

Mr. HATCH. Mr. President, unless there are other Senators who desire to speak, I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER (Mr. DONNELL in the chair) laid before the Senate messages from the President of the United States submitting sundry nominations, and withdrawing a nomination, which nominations were referred to the appropriate committees.

(For nominations and withdrawal of a nomination this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF A COMMITTEE

Mr. MCKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

The PRESIDING OFFICER. If there be no further reports of committees, the clerk will state the nominations on the calendar.

THE ARMY

The legislative clerk proceeded to read sundry nominations in the Army.

Mr. HATCH. Mr. President, I ask that all nominations in the Army be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the Army nominations are confirmed en bloc.

Mr. HATCH. I ask unanimous consent that the President be notified of all nominations confirmed today.

The PRESIDING OFFICER. Without objection, the President will be notified forthwith.

That completes the calendar.

ADJOURNMENT TO MONDAY

Mr. HATCH. Mr. President, I move that the Senate stand adjourned until 12 o'clock noon on Monday next.

The motion was agreed to; and (at 3 o'clock and 7 minutes p. m.) the Senate adjourned until Monday, July 9, 1945, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate July 6, 1945:

ADMINISTRATOR OF VETERANS' AFFAIRS

Gen. Omar N. Bradley, United States Army, to be Administrator of Veterans' Affairs.

FEDERAL HOUSING ADMINISTRATOR

Raymond Michael Foley, of Michigan, to be Federal Housing Administrator in the National Housing Agency for the unexpired term of 4 years from June 30, 1942. Vice Abner H. Ferguson, resigned.

FIRST ASSISTANT POSTMASTER GENERAL

Jesse M. Donaldson, of Illinois, to be First Assistant Postmaster General.

REGISTER OF THE LAND OFFICE

Thomas F. Britt, of Arizona, to be register of the land office at Phoenix, Ariz. Reappointment.

APPOINTMENT IN THE REGULAR ARMY

Col. William Henry Kasten (lieutenant colonel, Finance Department), Army of the United States, for appointment in the Regular Army of the United States as Chief of Finance, with the rank of major general, for a period of 4 years from date of acceptance, vice Maj. Gen. Howard Kendall Loughry, formerly Chief of Finance, whose term of office expired April 22, 1944.

IN THE NAVY

TEMPORARY SERVICE

Capt. James L. Holloway, Jr., United States Navy, to be a rear admiral in the Navy, for temporary service, to rank from the 4th day of September 1943.

Capt. Penn L. Carroll, United States Navy, to be a commodore in the Navy, for temporary service, to continue while serving as deputy chief of staff to commander, Seventh Fleet, and until reporting for other permanent duty.

Capt. George H. Bowdley, United States Navy, retired, to be a commodore in the Navy, on the retired list, for temporary service, to continue while serving as chief of staff to the President, Naval War College.

Capt. Lewis L. Strauss, United States Naval Reserve, to be a commodore in the Naval Reserve, for temporary service, to continue while serving as a member of the Joint Army and Navy Munitions Board.

CONFIRMATIONS

Executive nominations confirmed by the Senate July 6, 1945:

IN THE ARMY

TEMPORARY APPOINTMENT IN THE ARMY OF THE UNITED STATES

To be major general

Edward Fuller Witsell

APPOINTMENTS IN THE REGULAR ARMY OF THE UNITED STATES

To be second lieutenants, Infantry

Frederick Griffith Bohannon

John Edwin Murphy

PROMOTIONS IN THE REGULAR ARMY OF THE UNITED STATES

The nominations of Hardin Cleveland Sweeney et al., for promotion in the Regular Army.

(NOTE.—A full list of the persons whose nominations for promotion in the Regular Army were confirmed today, may be found in the Senate proceedings of the CONGRESSIONAL RECORD for July 2, 1945, under the caption "Nominations," beginning with the name of

Hardin Cleveland Sweeney on p. 7130 and ending with the name of Ivan Loveridge Bennett on p. 7132.)

WITHDRAWAL

Executive nomination withdrawn from the Senate July 6, 1945:

FEDERAL HOUSING COMMISSIONER

Raymond Michael Foley to be Federal Housing Commissioner in the National Housing Agency.

HOUSE OF REPRESENTATIVES

FRIDAY, JULY 6, 1945

The House met at 11 o'clock a. m.

Rev. Bernard Braskamp, D. D., pastor of the Gunton Temple Memorial Presbyterian Church, Washington, D. C., offered the following prayer:

Infinite and eternal God, we thank Thee for the innumerable tokens of Thy paternal goodness; for the joys that cheer us and the trials that teach us to put our trust in Thee; for daily work and its rewards; for friendship and its blessedness; for home and loved ones; for our country and its freedom and glorious mission among the nations of the earth.

Whatever experiences come to us during this day, may we have the assurance of Thy guiding and sustaining presence; enable us to carry our burdens bravely and perform our duties faithfully; may we have high motives for even the humblest task; courage when fears and anxieties assail us; consolation when our heads are bowed in sorrow and distress; patience and hope in the presence of doubt and uncertainty; Thy peace when our minds are baffled and perplexed; self-control and forbearance in the hour of provocation; mercy and forgiveness when tempted to seek retaliation and revenge. Grant that we may have an interpretation of life that centers in an earnest desire to do Thy will, a noble purpose to serve our generation, and a lofty aspiration to gain for ourselves a character that is rich and strong in every Christlike virtue. In His name we bring our petitions. Amen.

The Journal of the proceedings of yesterday was read and approved.

EXTENSION OF REMARKS

Mr. HARE asked and was given permission to extend his remarks in the Appendix of the RECORD.

Mr. LANE asked and was given permission to extend his remarks in the Appendix of the RECORD in two instances, in one to include reprint of a newspaper article and in the other to include an address he delivered at the Hotel Pennsylvania, New York City, before the Anti-Nazi League.

Mr. BUCK asked and was given permission to extend his remarks in the Appendix of the RECORD and to include an excerpt from a letter.

Mr. PHILLIPS asked and was given permission to extend his remarks in the

RECORD and to include a statement of his published in the China Daily News.

Mr. HOFFMAN asked and was given permission to extend his remarks in the RECORD and include letters.

Mr. HAND asked and was given permission to extend his remarks in the RECORD and include a statement by a constituent on pending legislation.

Mr. MERROW asked and was given permission to extend his remarks in the Appendix of the RECORD and to include an article entitled "Can We Rationalize Egg Prices?" written by Leavitt C. Parsons.

HON. HENRY MORGENTHAU, JR.

Mr. THOM. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Ohio? There was no objection.

Mr. THOM. Mr. Speaker, the Honorable Henry Morgenthau, Jr., has resigned from the Treasury Department at a time when the American dollar is the soundest money in the world. This is so even though World War II compelled the greatest Government expenditures in our national history. This accomplishment is a great tribute to him. Like his distinguished father, Henry Morgenthau, Sr., the retiring Secretary of the Treasury has served his country with rare intelligence and high integrity.

Newspaper reports say that the identity of the new Secretary of the Treasury has been determined upon by the President, but that his name will not be divulged until after the forthcoming Berlin conference. I express the hope, in which I know many Members of this body join, that his name will be Judge Fred Vinson, our former colleague, who, through his handling of tariff tax matters in this House, is ably equipped for this Cabinet position.

LEGISLATIVE PROGRAM FOR NEXT WEEK

Mr. MARTIN of Massachusetts. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. MARTIN of Massachusetts. Mr. Speaker, I take this time to ask the majority leader if he can advise us about the program for next week.

Mr. McCORMACK. Mr. Speaker, I understand there is a bill reported by the District Committee which the members of that committee are anxious to have action on, providing for an increase in the pay of the school teachers of the District. In the previous legislation that has been considered and passed they were not considered because they have been given separate consideration. The committee has reported this bill and it is only fair that the matter should be acted upon promptly, if it can be.

Outside of that there is no other program for next week, except the hope that the FEPC situation will be cleared up and concluded. If the bill we are considering today is disposed of, I shall ask

unanimous consent that when the House adjourns today it adjourn to meet on Monday.

Mr. MARTIN of Massachusetts. There will be no session tomorrow if the pending tax bill is finally acted on today?

Mr. McCORMACK. That is correct. I have been informed that a bill may come out of the Banking and Currency Committee relating to the Export and Import Bank. If that is so, I will give notice to the leadership on the gentleman's side about bringing it up and disposing of it. That is information I have just received.

Mr. MARTIN of Massachusetts. I thank the gentleman.

EXTENSION OF REMARKS

Mr. REED of New York (at the request of Mr. MARTIN of Massachusetts) was given permission to extend his own remarks in the RECORD.

CALL OF THE HOUSE

The SPEAKER. Under a previous order of the House, the gentleman from New York [Mr. BLOOM] is recognized for 15 minutes.

Mr. HOFFMAN. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Obviously a quorum is not present.

Mr. RAMSPECK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 137]

Andrews, N. Y.	Gwinn, N. Y.	Rains
Bailey	Gwynne, Iowa	Ramey
Baldwin, N. Y.	Hale	Rayfield
Barry	Hall	Reed, Ill.
Beall	Edwin Arthur	Russell
Bell	Hancock	Sharp
Bender	Harless, Ariz.	Sheppard
Bennett, Mo.	Hart	Sheridan
Bland	Hébert	Sikes
Bradley, Mich.	Heffernan	Simpson, Ill.
Bradley, Pa.	Hendricks	Simpson, Pa.
Buckley	Henry	Smith, Ohio
Burch	Hill	Snyder
Butler	Hobbs	Somers, N. Y.
Byrne, N. Y.	Hoeven	Starkey
Campbell	Hope	Talbot
Cannon, Mo.	Jarman	Taylor
Case, N. J.	Johnson, Ind.	Thomas, N. J.
Celler	Kearney	Tolan
Chapman	Kee	Torrens
Chapfield	Keefe	Towe
Cole, N. Y.	Kefauver	Traynor
Cravens	Latham	Voorhis, Calif.
Curley	Luce	Vursell
Dawson	Lynch	Wadsworth
De Lacy	Maloney	Walter
Dirksen	Mansfield, Tex.	Weiss
Dondero	Morrison	White
Ellsworth	Norrell	Whitten
Fellows	Patman	Whittington
Fogarty	Peterson, Ga.	Wilson
Fuller	Pfeifer	Winter
Gifford	Ploeser	Wolverton, N. J.
Gore	Plumley	Worley
Granger	Powell	
Grant, Ind.	Powers	

The SPEAKER. On this roll call 319 Members have answered to their names, a quorum.

On motion of Mr. RAMSPECK, further proceedings under the call were dispensed with.

The SPEAKER. Under a previous order of the House, the gentleman from New York [Mr. BLOOM] is recognized for 15 minutes.